STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

FO	RM	2

AMENDED REPORT (highlight changes)

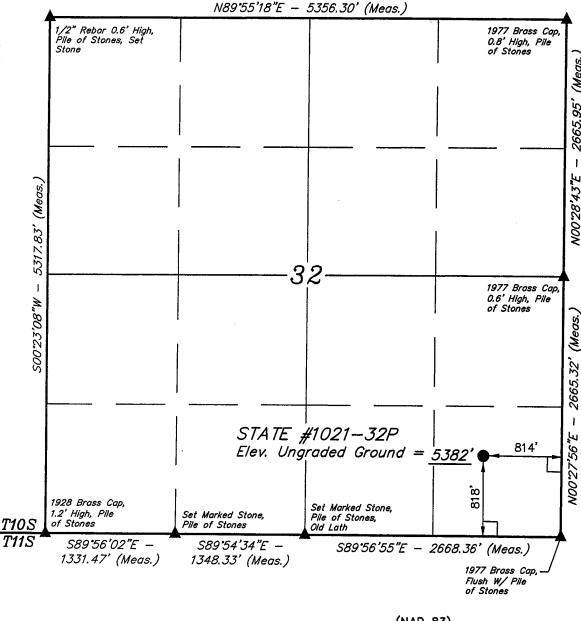
APPLICATION FOR PERMIT TO DRILL							5. MINERAL LEASE NO: ML-21577	6. SURFACE: State
1A, TYPE OF WO	ork; DF	RILL 🚺 🛚 F	REENTER	DEEPEN			7. IF INDIAN, ALLOTTEE OR	TRIBE NAME:
B. TYPE OF WE	ll: OIL 🗌	GAS 🗹 (OTHER	SIN	GLE ZONE MULTIPLE ZON	NE 🔽	8. UNIT or CA AGREEMENT	NAME:
2. NAME OF OPE		AC ONCLIC	DE L D		•		9. WELL NAME and NUMBE	
3. ADDRESS OF		SAS ONSHO	IKE L.P.	·	PHONE NUMBER:		STATE 1021-32F	
1368 S 120	00 E	CITY VERN		TE UT ZIP 84			NATURAL BUTT	
	WELL (FOOTAGE	s) 62	224017	ζ ,	39.898939		11. QTR/QTR, SECTION, TO MERIDIAN:	WNSHIP, RANGE,
	818'FSL, 8	14 FEL 4	417318	2 y	-109,568231		SESE 32 10	S 21E
	PRODUCING ZON			,	109,568231			
			EST TOWN OR PO	ST OFFICE:			12. COUNTY:	13, STATE: UTAH
		OF OURA					UINTAH	
	J NEAREST PROP	ERTY OR LEASE LI	NE (FEET)	16. NUMBER O	F ACRES IN LEASE:	17. NL	IMBER OF ACRES ASSIGNED	
814'	O NEADEST WELL	(DRILLING, COMPL	ETED OR	19. PROPOSED	640.00	100.00		40.00
APPLIED FOR	R) ON THIS LEASE		.E1ED, OK	19. PROPOSEL			DND DESCRIPTION:	
	O TOPO C	R DF, RT, GR, ETC.):	22 APPROXIMA	9,070 ATE DATE WORK WILL START:		B0005237	
5382'GL	,		,		N = 5/11 = 1/3/11/WEE STATE.	20.20	THINK LD DOTOTION.	
								·
24.	•		PROPOS	ED CASING A	ND CEMENTING PROGRAM			
SIZE OF HOLE	CASING SIZE, O	GRADE, AND WEIG	HT PER FOOT	SETTING DEPTH	CEMENT TYPE, QU	JANTITY, '	YIELD, AND SLURRY WEIGH	Т
12 1/4"	9 5/8	H-40	32.3#	1,800	265 SX CLASS G	1.18 Y	IELD 15.6 PPC	3
7 7/8"	4 1/2	I-80	11.6#	9,070	1920 SX 50/50 POZ	1.31 Y	IELD 14.3 PPC	3
								<u> </u>
					· · · · · · · · · · · · · · · · · · ·			
							<u> </u>	
	<u> </u>							
25.			-	ATTA	CHMENTS			
VERIFY THE FOL	LOWING ARE ATT	ACHED IN ACCOR	DANCE WITH THE U	TAH OIL AND GAS C	ONSERVATION GENERAL RULES:			
✓ WELL PL	AT OR MAP PREPA	ARED BY LICENSEI	O SURVEYOR OR E	NGINEER	COMPLETE DRILLING PLAN			
VIDENO	E OF DIVISION OF	WATER RIGHTS A	PPROVAL FOR US	E OF WATER	FORM 5, IF OPERATOR IS PI	FRSON O	R COMPANY OTHER THAN T	THE LEASE OWNER
					,			
NAME (PLEASE	NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LAND ADMIN SPECIALIST							
SIGNATURE	///M	MI	MU		DATE 3/14/2007			,,,,,,
(This space for Sta	ite use only)		/	App	roved by the			
		·		Uta	h Division of			
	.10	1 110 2	2117	Oil, G	as and Mining			n
API NUMBER AS	SIGNED: 43	-047-3	7/11		APPROVAL:		RECEIVE	ע
				_	1 2/2			-

(11/2001)

MAR 1 6 2007

DIV. OF OIL, GAS & MINING

T10S, R21E, S.L.B.&M.



LEGEND:

90° SYMBOL

PROPOSED WELL HEAD.

= SECTION CORNERS LOCATED.

(NAD 83)

LATITUDE = 39.53.56.03" (39.898897)

LONGITUDE = 109'34'08.06" (109.568906)

(NAD 27) LATITUDE = 39'53'56.15" (39.898931)

LONGITUDE = 109.34'05.59'' (109.568219)

Kerr-McGee Oil & Gas Onshore LP

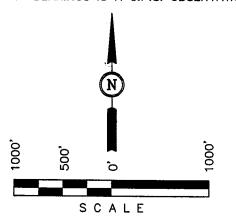
Well location, STATE #1021-32P, located as shown in the SE 1/4 SE 1/4 of Section 32, T10S, R21E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M., TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE THAT THE PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS THE FEW PROPERTY OF THE SUPERVISION AND THAT THE SUPERVISION AND THE SUPERVISION AND THAT THE SUPERVISION AND THE

BEST OF MY KNOWLEDGE AN

UINTAH ENGINEERING 85 SOUTH 200 EAST VERNAL, UTAH 84078 (435) 789-1017

	3) 100 1011				
SCALE 1" = 1000'	DATE SURVEYED: 12-14-06	DATE DRAWN: 12-18-06			
PARTY L.K. J.M. P.M.	REFERENCES G.L.O. PLA	REFERENCES G.L.O. PLAT			
WEATHER COLD	1	Gee Oil &			

STATE 1021-32P SE/SE SEC. 32, T10S, R21E UINTAH COUNTY, UTAH ML-21577

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. <u>Estimated Tops of Important Geologic Markers:</u>

<u>Formation</u>	<u>Depth</u>
Uinta Green River	0- Surface 948'
Top of Birds Nest Water	948 1193'
Mahogany	1716'
Wasatch	4101'
Mesaverde	6919'
MVU2	7932'
MVL1	8448'
TD	9070'

2. <u>Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:</u>

Substance	<u>Formation</u>	<u>Depth</u>
	Green River	948'
Water	Top of Birds Nest Water	1193'
	Mahogany	1716'
Gas	Wasatch	4101'
Gas	Mesaverde	6919'
Gas	MVU2	7932'
Gas	MVL1	8448'
Water	N/A	
Other Minerals	N/A	

3. <u>Pressure Control Equipment</u> (Schematic Attached)

Please refer to the attached Drilling Program.

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Drilling Program.

5. <u>Drilling Fluids Program</u>:

Please refer to the attached Drilling Program.

6. <u>Evaluation Program</u>:

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 9070' TD, approximately equals 5623 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3628 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. <u>Anticipated Starting Dates:</u>

Drilling is planned to commence immediately upon approval of this application.

9. <u>Variances:</u>

Please refer to the attached Drilling Program.

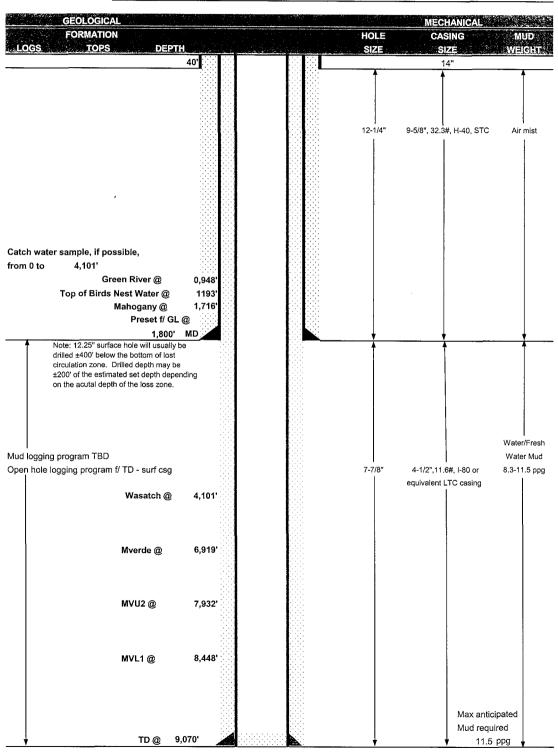
10. Other Information:

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPAN'	Y NAME	KERR-McGEE OIL & GAS ONSHOP	RE LP	DATE	March 14	, 2007		
WELL NA	ME .	STATE 1021-32P		TD	9,070'	MD/TVD		
FIELD	Natural Butte	es COUNTY Uintah	STATE Uta	h	ELEVATION	5,382' GL	KE	3 5,397'
SURFACE	LOCATION	SE/SE SEC. 32, T10S, R21E 818	3'FSL, 814'FEL		_		BHL	Straight Hole
		Latitude: 39.898897 Longi	itude: 109.568	906				
OBJECTIV	VE ZONE(S)	Wasatch/Mesaverde						
ADDITION	NAL INFO	Regulatory Agencies: UDOGM (S	SURF & MINER	ALS),Tri	-County Health	Dept.		





KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

								DESIGN FACTORS		
	SZE		UEW	通線		GR.	CPLG.	BURST	COLLAPSE	TENSION
CONDUCTOR	14"		0-40'							
								2270	1370	254000
SURFACE	9-5/8"	0	to	1800	32.30	H-40	STC	0.66*****	1.63	4.99
								7780	6350	201000
PRODUCTION	4-1/2"	0	to	9070	11.60	I-80	LTC	2.27	1.17	2.19

¹⁾ Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)

(Burst Assumptions: TD = 11.5 ppg)

.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP

3428 psi

Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

			,			
	利力的の対対	DESCRIPTION	SACKS	の語の主義	AUCEO THE	製造を目の数数
SURFACE LEAD	500	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1		+ .25 pps flocele				
TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt	50		15.60	1.18
		+ 2% CaCl + .25 pps flocele				
TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE		NOTE: If well will circulate water to s	urface, op	tion 2 will b	e utilized	
Option 2 LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite	170	35%	11.00	3.82
		+.25 pps Flocele + 3% salt BWOC				
TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
		+ .25 pps flocele				
TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION LEAD	3,600'	Premium Lite II + 3% KCl + 0.25 pps	390	60%	11.00	3.38
		celloflake + 5 pps gilsonite + 10% gel				
		+ 0.5% extender				
TAIL	5,470'	50/50 Poz/G + 10% salt + 2% gel	1530	60%	14.30	1.31
		+.1% R-3				

^{*}Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.	
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.	

ADDITIONAL INFORMATION

Wood figs have FVT Systems for find monitoring. If no FVT is available, visual i	normoning will be dullized.
Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual r	ponitoring will be utilized
Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.	
& iower kelly valves.	
tour sheet. Function test rams on each trip. Maintain safety valve & inside BOF	on rig floor at all times. Kelly to be equipped with upper
BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,50	0 psi) prior to drilling out. Record on chart recorder &
Test casing head to 750 psi after installing. Test surface casing to 1,500 psi pri	or to drilling out.
Test casing head to 750 psi after installing. Test surface casing to 1,500 psi pri-	or to drilling out.

DRILLING ENGINEER:		DAT	≣:
	Brad Laney		
DRILLING SUPERINTENDENT:		DAT	= :
	Randy Bayne		

²⁾ MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)

^{*}Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

STATE 1021-32P SE/SE SEC. 32, T10S, R21E Uintah County, UT ML-21577

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Approximately 0.4 +/- miles of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. <u>Location of Existing Wells Within a 1-Mile Radius:</u>

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain

fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 2037' +/- of 4" steel pipeline is proposed from the location to an tie-in point. Refer to Topo Map D.

5. <u>Location and Type of Water Supply:</u>

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. <u>Source of Construction Materials:</u>

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. <u>Methods of Handling Waste Materials:</u>

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.

8. Ancillary Facilities:

None are anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be resurveyed and a Form 9 shall be submitted.

10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment.

Reseeding operations will be performed after completion of other reclamation operations.

11. <u>Surface Ownership:</u>

SITLA 675 East 500 South, Suite 500 Salt Lake City, UT 84102

12. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey will be submitted when report becomes available.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. Lessee's or Operators's Representative & Certification:

Sheila Upchego Senior Land Admin Specialist Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East. Vernal, UT 84078 (435) 781-7024 Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005237.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Sheila Upchego Mall

3/14/2007

Date

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-32P SECTION 32, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 15.6 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST: TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1021-32N TO THE EAST: FOLLOW ROAD FLAGS IN AN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE PROPOSED #1021-32N AND THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1021-32H TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1021-32I TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 49.35 MILES.

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-32P

LOCATED IN UINTAH COUNTY, UTAH SECTION 32, T10S, R21E, S.L.B.&M.

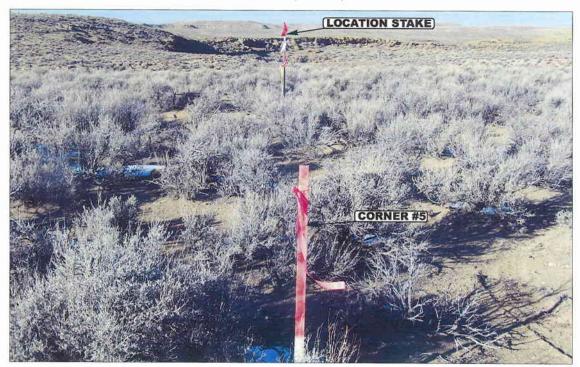


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

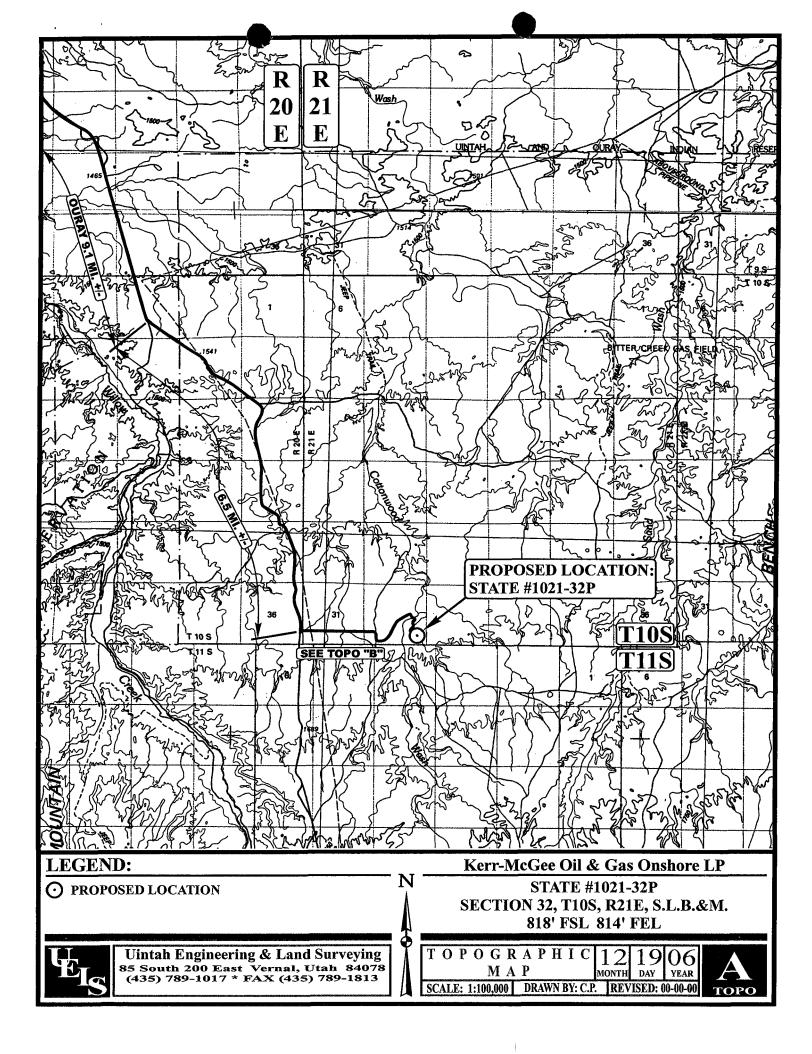
CAMERA ANGLE: SOUTHEASTERLY

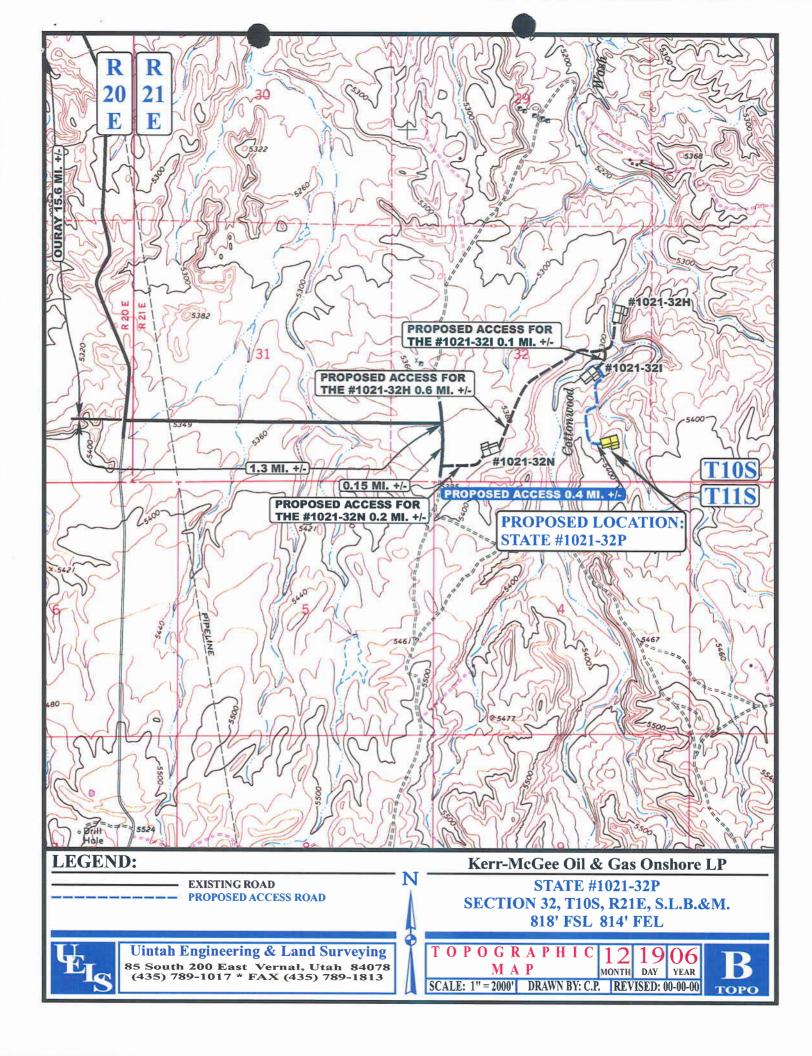


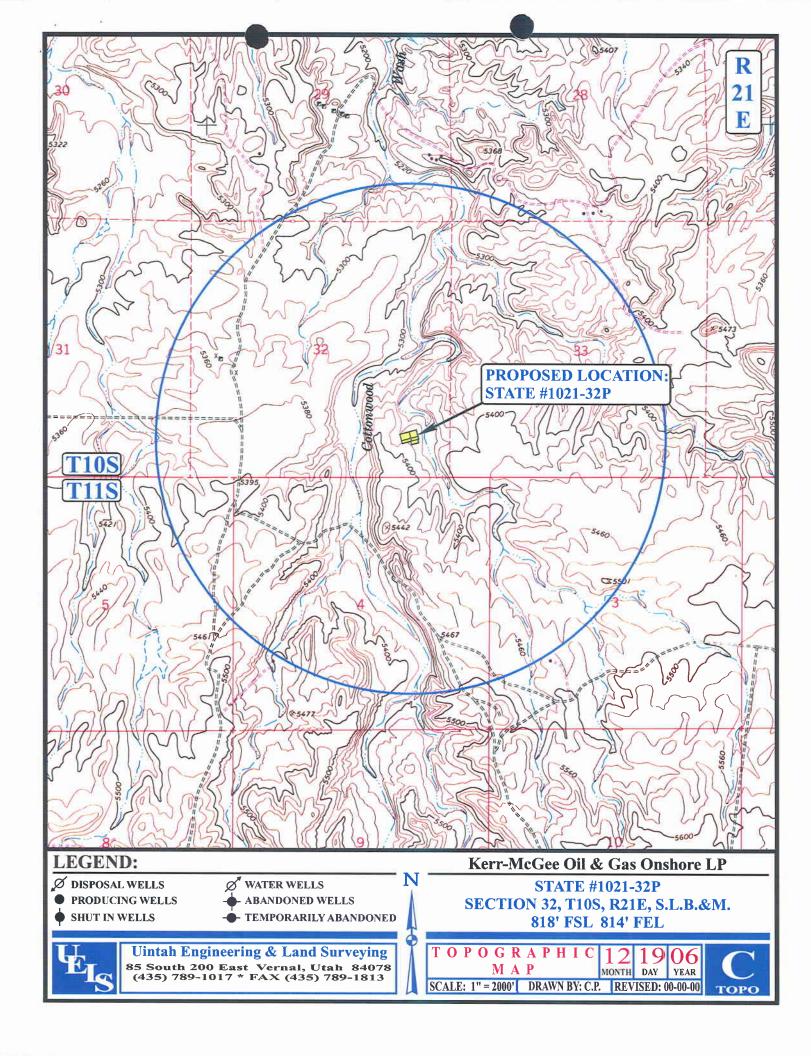
Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017 vels@uelsinc.com

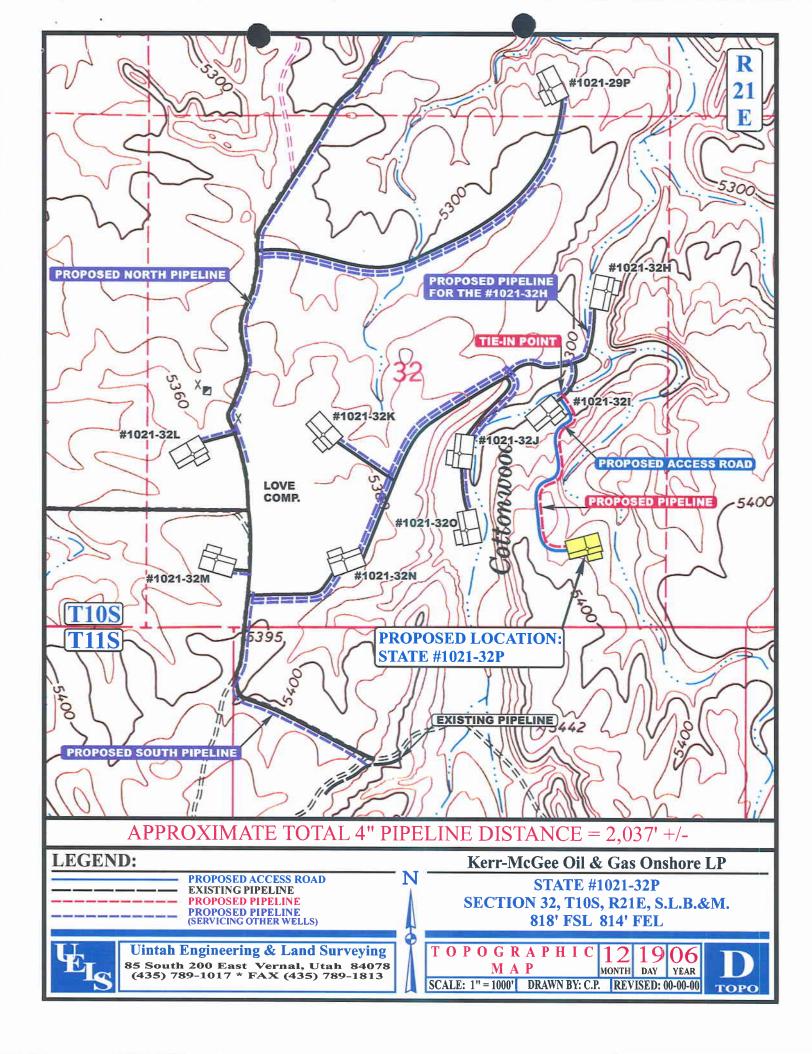
LOCATION PHOTOS TAKEN BY: L.K. | DRAWN BY: C.P. | REVISED: 00-00-00

РНОТО









Kerr-McGee Oil & Gas Onshore LP STATE #1021-32P

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH SECTION 32, T10S, R21E, S.L.B.&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: SOUTHEASTERLY



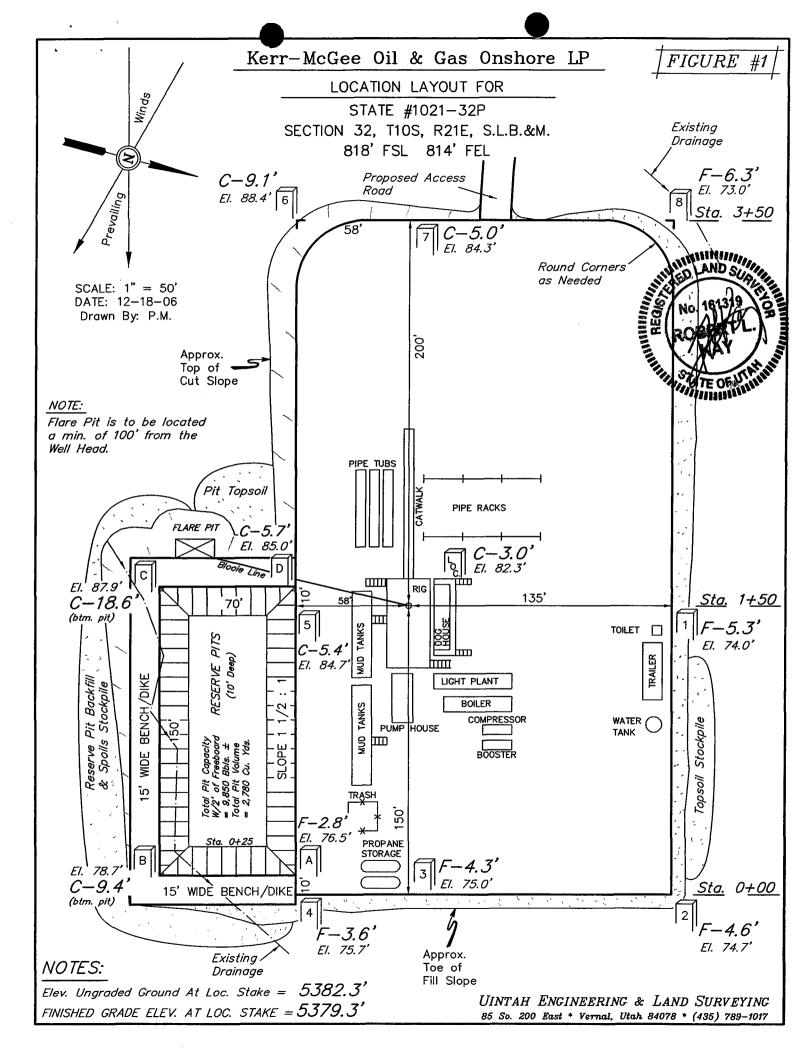
PHOTO: VIEW OF PIPELINE ALIGNMENT

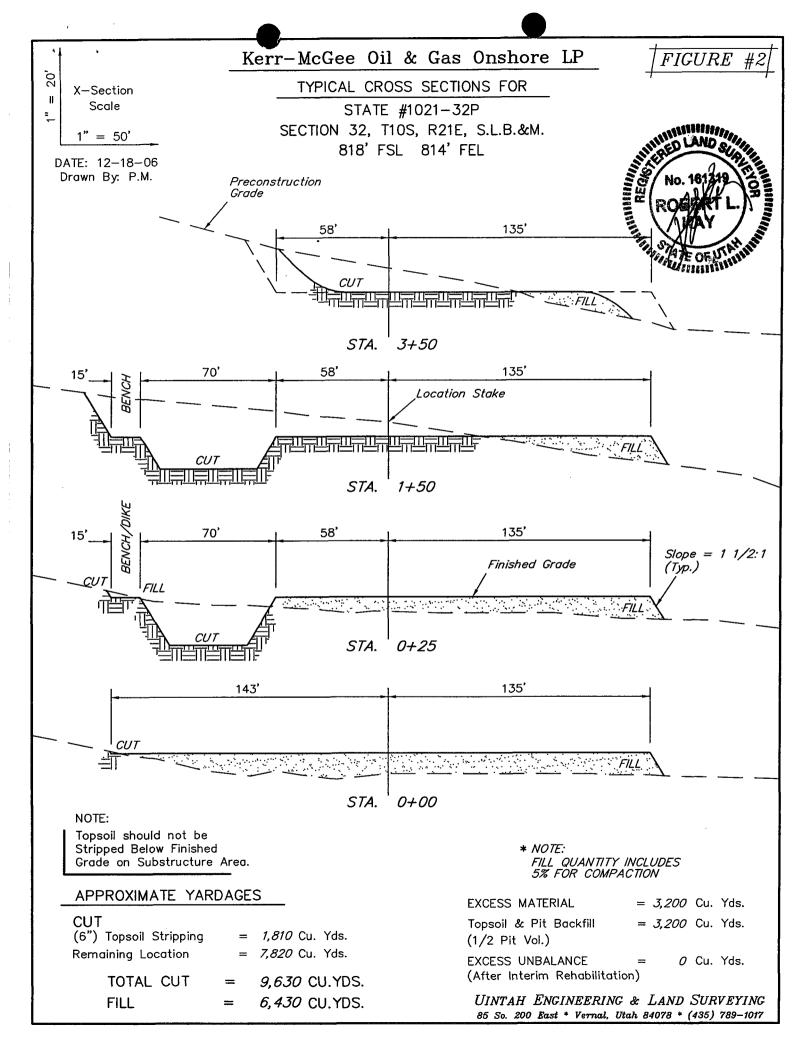
CAMERA ANGLE: SOUTHERLY



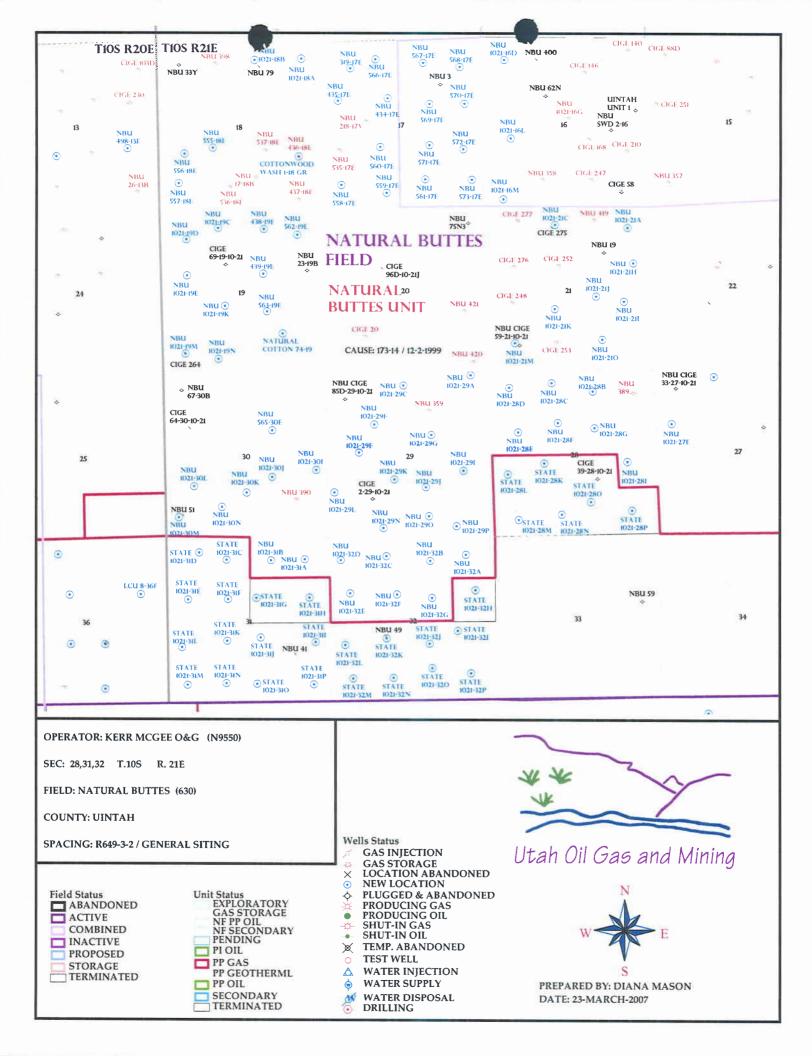
PIPELINE PHOTOS TAKEN BY: L.K. | DRAWN BY: C.P. | REVISED: 00-00-00

РНОТО





APD RECEIVED: 03/16/2007	I	API NO. ASSIGNED: 43-047-39127			
WELL NAME: STATE 1021-32P	-				
OPERATOR: KERR-MCGEE OIL & GAS (N2995)	PH	ONE NUMBER:	435-781-702	24	
CONTACT: SHEILA UPCHEGO					
PROPOSED LOCATION:	IN	SPECT LOCATN	BY: /	/	
SESE 32 100S 210E SURFACE: 0818 FSL 0814 FEL	Te	ch Review	Initials	Date	
BOTTOM: 0818 FSL 0814 FEL	Er	ngineering	DRO	4/24/07	
COUNTY: UINTAH	Ge	eology			
LATITUDE: 39.89894 LONGITUDE: -109.5682 UTM SURF EASTINGS: 622401 NORTHINGS: 44173	12 St	ırface			
FIELD NAME: NATURAL BUTTES (630					
LEASE TYPE: 3 - State LEASE NUMBER: ML-21577 SURFACE OWNER: 3 - State RECEIVED AND/OR REVIEWED:	CO.	OPOSED FORMA: ALBED METHANI AND SITING:		MVD	
Plat					
Bond: Fed[] Ind[] Sta[] Fee[]		9-2-3.			
(No. 22013542)	Unit:				
Potash (Y/N)		-3-2. Gener			
Oil Shale 190-5 (B) or 190-3 or 190-13		ng: 460 From Qt		Between Wells	
Water Permit (No. 43-8496)		9-3-3. Excep	tion		
RDCC Review (Y/N)		ling Unit ard Cause No:			
(Date:)		Date:			
Fee Surf Agreement (Y/N)	Sit	ing:			
Note to Commingle (Y/N)	R649	9-3-11. Dire	ctional Dri	111	
comments: Aleeds Presite	(04-04-0) 			
stipulations: 1- Spacing White					
2-Statement 3-Oic Suac					
4- Surface Cog	C + C	40			
- 10.14CF LCG		1			



Application for Permit to Drill Statement of Basis

4/16/2007

Utah Division of Oil, Gas and Mining

Page 1

APD No

API WellNo

Status

Well Type

Surf Ownr

СВМ

327

43-047-39127-00-00

Surface Owner-APD

GW

S

No

Operator KERR-MCGEE OIL & GAS ONSHORE, LP

TT--- 24

Well Name STATE 1021-32P

Unit

Field UNDES

UNDESIGNATED

Type of Work

Location

SESE 32 10S 21E S 818 FSL 814 FEL

GPS Coord (UTM) 622401E 4417312N

Geologic Statement of Basis

Kerr McGee proposes to set 1,800' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 4,400'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 32. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Brad Hill

4/16/2007

APD Evaluator

Date / Time

Surface Statement of Basis

The general area is within the Love area of the upper Cottonwood Wash Drainage. The area is characterized by rolling hills and benches, which are frequently intersected by somewhat gentle draws, which flow into Cottonwood Wash. The draws are occasionally rimed with steep side hills, which have exposed sand stone bedrock cliffs along the rims. Cottonwood Wash is an ephemeral drainage, which drains northerly approximately 12 miles to the White River. No seeps, springs or streams exist in the area.

This location is approximately 18 miles southeast of Ouray, Utah and is accessed by the Seep Ridge Road then by existing or planned oil field development roads to within 0.4 miles of the proposed site. New construction will be required from this point.

The proposed location is on a broad rounded ridge between the main Cottonwood Wash drainage approximately ½ to the west and a sub-drainage to the east. Terrain is rolling with some near-by steep side-hills with exposed sandstone ledges. The south end of the location stops at exposed bedrock. A drainage thru the proposed reserve pit location will be cutoff by the spoils and redirected to its location after the pit is closed. No diversion is needed.

Both the surface and minerals are owned by SITLA. Jim Davis represented SITLA at the pre-site investigation. Mr. Davis had no concerns pertaining to this location. The selected location appears to be the best site for drilling and operating a well in the immediate area.

Floyd Bartlett

4/4/2007

Onsite Evaluator

Date / Time

Conditions of Approval / Application for Permit to Drill

Category

Condition

Pits

A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.



Utah Division of Oil, Gas and Mining

Operator

KERR-MCGEE OIL & GAS ONSHORE, LP

Well Name

STATE 1021-32P

API Number

43-047-39127-0

APD No 327

Tw

Field/Unit UNDESIGNATED

Location: 1/4,1/4 SESE

Sec 32

10S **Rng** 21E

818 FSL 814 FEL

GPS Coord (UTM) 622402

4417313

Surface Owner

Participants

Floyd Bartlett (DOGM), Jim Davis (SITLA), Carroll Estes, Tony Keznic, and Clay Einerson (Kerr McGee), David Kay (Uintah Engineering and Land Surveying), and Ben Williams (UDWR)

Regional/Local Setting & Topography

The general area is within the Love area of the upper Cottonwood Wash Drainage. The area is characterized by rolling hills and benches, which are frequently intersected by somewhat gentle draws, which flow into Cottonwood Wash. The draws are occasionally rimed with steep side hills, which have exposed sand stone bedrock cliffs along the rims. Cottonwood Wash is an ephemeral drainage, which drains northerly approximately 12 miles to the White River. No seeps, springs or streams exist in the area.

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Both the surface and minerals are owned by SITLA.

Surface Use Plan

Current Surface Use

Grazing

Recreational

Wildlfe Habitat

New Road

Miles

Well Pad

Src Const Material

Surface Formation

0.4

Width 278

Length 350

Onsite

UNTA

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Vegetation is a shrub type. A moderate stand of big sagebrush exists. Lomatium, greasewood, curly mesquite and a few spring annuals are also present.

Antelope, cattle, rabbits, coyotes, and small mammals, birds and raptors.

Soil Type and Characteristics

Moderately deep sandy loam with a few surface rocks.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y

Paleo Potental Observed? N

Cultural Survey Run? N

Cultural Resources?

Reserve Pit

Site-Specific Factors		Site 1	Ranking		
Distance to Groundwater (feet)	>200		0		
Distance to Surface Water (feet)	>1000		0		
Dist. Nearest Municipal Well (ft)	>5280		0		
Distance to Other Wells (feet)	300 to 1320		10		
Native Soil Type	Mod permeability		10		
Fluid Type	Fresh Water		5		
Drill Cuttings	Normal Rock		0		
Annual Precipitation (inches)	<10		0		
Affected Populations	<10		0		
Presence Nearby Utility Conduits	Not Present		0		
		Final Score	25	1	Sensitivity Level

Characteristics / Requirements

The proposed reserve pit is 70' x 150' x 10' deep located in a cut on the southeast corner of the location. A 20 mil liner with a felt sub-liner is planned by Kerr McGee.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? Y

Other Observations / Comments

Ben Williams representing the UDWR stated the area is classified as yearlong critical habitat for antelope. He stated that the lack of water not forage is the limiting factor affecting the herd in the area. He recommended no restrictions for antelope. No other wildlife is expected to be significantly affected. He gave Jim Davis of SITLA and Carroll Estes of Kerr McGee a copy of his wildlife evaluation and a UDWR recommended seed mix to be used when re-vegetating the location.

ATV's were used to access the site.

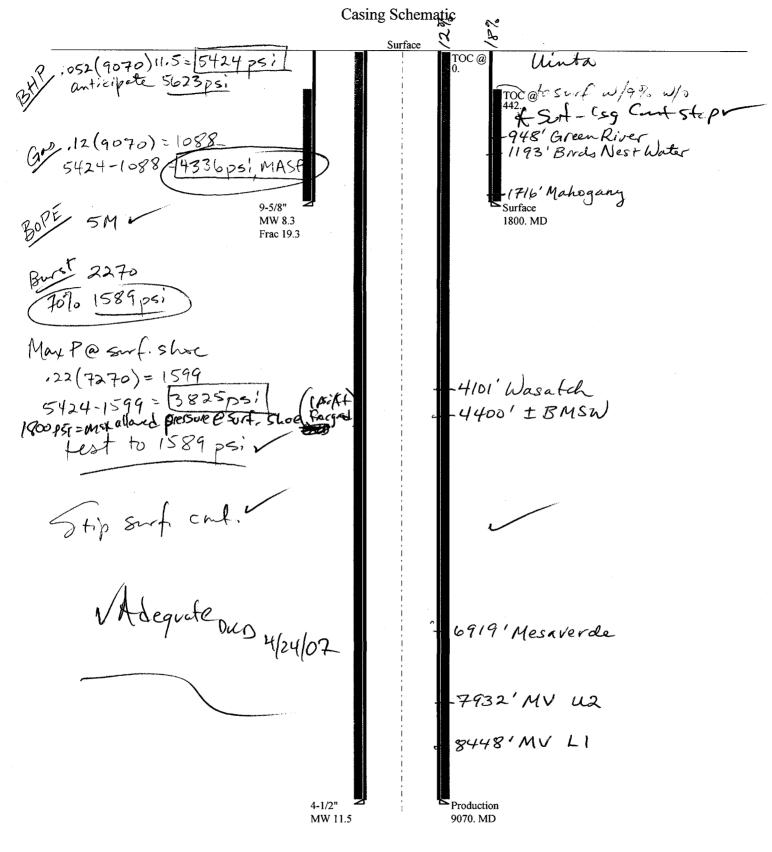
Floyd Bartlett

4/4/2007

Evaluator

Date / Time

2007-04 Kerr McGee State 1021-32P



Well name:

2007-04 Kerr McGee State 1021-32P

Operator:

Kerr McGee Oil & Gas Onshore L.P.

String type:

Surface

Project ID:

43-047-39127

Location:

Uintah County, Utah

Design parameters:

Collapse

Mud weight:

8.300 ppg

Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125 **Environment:**

H2S considered? Surface temperature: No 75 °F

Bottom hole temperature:

100 °F

Temperature gradient:

1.40 °F/100ft

Minimum section length: 1,400 ft

Burst:

Design factor

1.00

Cement top:

442 ft

Burst

Max anticipated surface

pressure:

1,584 psi

Internal gradient: Calculated BHP

0.120 psi/ft 1,800 psi

Tension:

8 Round STC: 8 Round LTC:

Buttress:

1.60 (J) 1.50 (J)

Premium: Body yield: 1.50 (B) Non-directional string.

No backup mud specified.

776

Neutral point:

1800

Tension is based on buoyed weight. 1,581 ft

1.26

1.80 (J)

1.80 (J)

Re subsequent strings:

Next setting depth: Next mud weight:

9.070 ft 11.500 ppg 5,418 psi

Next setting BHP: Fracture mud wt: Fracture depth: Injection pressure:

51

19.250 ppg 1,800 ft 1,800 psi

4.97 J

Run Nominal Segment End True Vert Measured Drift Internal Seq Length Size Weight **Finish** Grade Depth Depth Diameter Capacity (in) (lbs/ft) (ft) (ft) (ft) (in) (ft3) 1 1800 32.30 9.625 H-40 ST&C 1800 1800 8.876 795.4 Run Collapse Collapse Collapse **Burst Burst Burst Tension Tension Tension** Load Strength Design Seq Load Strength Design Load Strength Design (psi) **Factor** (psi) (psi) (psi) **Factor** (Kips) **Factor** (Kips)

2270

Prepared

Helen Sadik-Macdonald Div of Oil, Gas & Minerals

1370

1.765

Phone: (801) 538-5357 FAX: (801) 359-3940

Date: April 19,2007 Salt Lake City, Utah

254

Remarks:

1

Collapse is based on a vertical depth of 1800 ft, a mud weight of 8.3 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:

2007-04 Kerr McGee State 1021-32P

Operator:

Kerr McGee Oil & Gas Onshore L.P.

String type:

Production

Project ID: 43-047-39127

Location:

Uintah County, Utah

Design parameters:

Collapse

Mud weight:

11.500 ppg Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor

Environment:

H2S considered? Surface temperature:

No 75 °F

Bottom hole temperature: 202 °F Temperature gradient: 1.40 °F/100ft

Minimum section length: 1,500 ft

Burst:

Design factor

1.00

1.125

Cement top:

Surface

Burst

Max anticipated surface

No backup mud specified.

pressure:

3,423 psi

Internal gradient: Calculated BHP

0.220 psi/ft 5,418 psi

Tension:

8 Round LTC:

Buttress: Premium:

Body yield:

8 Round STC:

1.80 (J) 1.60 (J) 1.50 (J)

1.50 (B)

1.80 (J)

Tension is based on buoyed weight. Neutral point: 7,511 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9070	4.5	11.60	1-80	LT&C	9070	9070	3.875	791.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5418	6360	1.174		`. 7780	1.44	87	212	2.43 J

Prepared

Helen Sadik-Macdonald Div of Oil, Gas & Minerals Phone: (801) 538-5357 FAX: (801) 359-3940

Date: April 19,2007 Salt Lake City, Utah

Collapse is based on a vertical depth of 9070 ft, a mud weight of 11.5 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

STATE OF UTAH	FORM 9				
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: ML-21577				
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:				
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME:				
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: STATE 1021-32P				
2. NAME OF OPERATOR:	9. API NUMBER:				
KERR McGEE OIL AND GAS ONSHORE LP 43-647-39127	43.047.34255				
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST VERNAL UT 84078 PHONE NUMBER: (435) 781-7003	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES				
4. LOCATION OF WELL	COUNTY: UINTAH				
FOOTAGES AT SURFACE: 818' FSL 814' FEL	COUNTY: UINTAH				
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 32 10S 21E	STATE: UTAH				
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	RT, OR OTHER DATA				
TYPE OF SUBMISSION TYPE OF ACTION					
✓ NOTICE OF INTENT ☐ ACIDIZE ☐ DEEPEN	REPERFORATE CURRENT FORMATION				
(Submit in Duplicate) ALTER CASING FRACTURE TREAT	SIDETRACK TO REPAIR WELL				
Approximate date work will start: CASING REPAIR NEW CONSTRUCTION	TEMPORARILY ABANDON				
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	TUBING REPAIR				
CHANGE TUBING PLUG AND ABANDON	VENT OR FLARE				
SUBSEQUENT REPORT (Submit Original Form Only) CHANGE WELL NAME PLUG BACK	WATER DISPOSAL				
Date of work completion: CHANGE WELL STATUS PRODUCTION (START/RESUME)	WATER SHUT-OFF				
COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE	OTHER:				
CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION					
DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volume An onsite was conducted on 4/4/07 with the Division of Oil, Gas and Mining Representative decided to change the proposed pipeline from a 4" pipeline that was approximately 2037' + 6,800' +/- and 900' +/-, a 6" pipeline approximately 7,600' +/-, and a 10" pipeline approximately 7,600' +/-, and a 10" pipeline approximately 7,600' +/-, and a 10" pipeline approximately 7,600' +/-	and SITLA Representative. It was /- to, two 4" pipelines approximately				
Please refer to the attached Topo D.					
Acc	cepted by the				
Utah Division of					
Oil, Gas and Mining					
For Record Only					
For Record Omy					
NAME (PLEASE RRINT) Ramey Hoopes TITLE Land Specialist	I				
MMM 11 1 1000 PM					
SIGNATURE DATE 47 10/2007	RECEIVED				

DIV. OF OIL, GAS & MINING

APR 2 3 2007

(This space for State use only)

From:

Ed Bonner

To:

Mason, Diana

Date:

6/22/2007 10:23 AM

Subject:

Well Clearance

CC:

Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resources clearance by the Trust Lands Cultural Resources Group:

EOG Resources, Inc

Chapita Wells Unit 1330-32 (API 43 047 39293)

Chapita Wells Unit 1326-32 (API 43 047 39294)

Chapita Wells Unit 1327-32 (API 43 047 39295)

Chapita Wells Unit 1325-32 (API 43 047 39296)

Chapita Wells Unit 1331-32 (API 43 047 39300)

Chapita Wells Unit 1328-32 (API 43 047 39301)

Kerr McGee Oil & Gas Onshore LP

NBU 1021-19M (API 43 047 38150)

NBU 1021-32A (API 43 047 39026)

NBU 1021-32B (API 43 047 39027)

NBU 1021-32C (API 43 047 39028)

NBU 1021-32F (API 43 047 39029)

NBU 1021-32P (API 43 047 39127)

NBU 1021-32O (API 43 047 39128)

NBU 1021-32N (API 43 047 39129)

NBU 1021-32M (API 43 047 39130)

NBU 1021-32L (API 43 047 39131) NBU 1021-32K (API 43 047 39132)

NBU 1021-32J (API 43 047 39133)

NBU 1021-32I (API 43 047 39134)

NBU 1021-32H (API 43 047 39135)

NBU 1021-32G (API 43 047 39136)

NBU 1021-32D (API 43 047 39137)

NBU 1021-32E (API 43 047 39138)

Parallel Petroleum Corporation

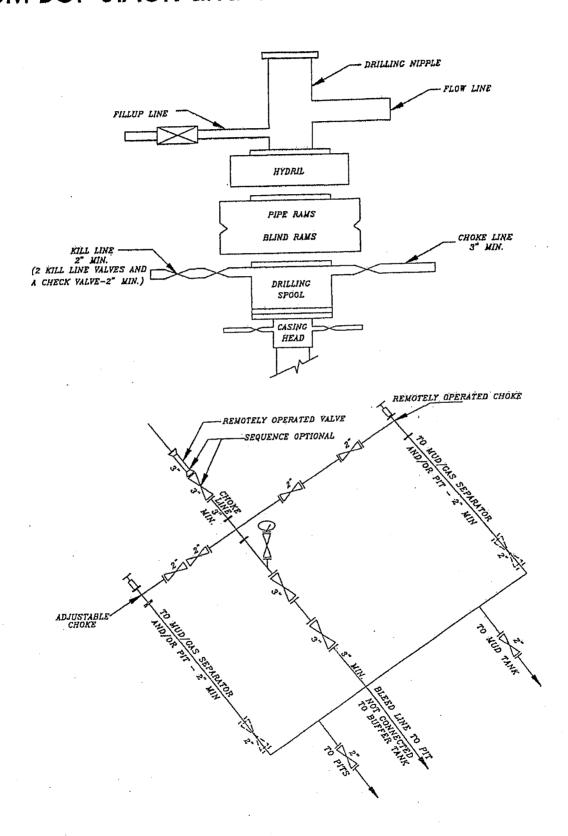
Trail Creek Anticline 1-2-6-25 (API 43 047 38324)

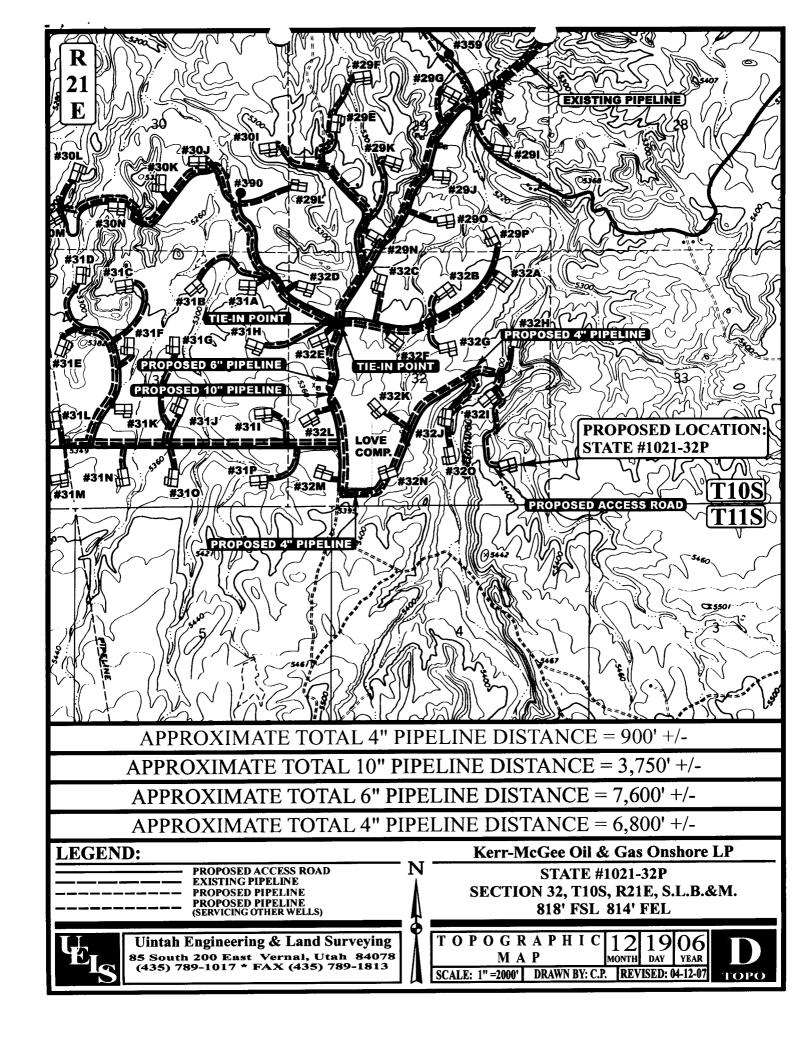
QEP Uinta Basin Inc

GB 7SG-36-8-21 (API 43 047 38765)

If you have any questions regarding this matter please give me a call.

5M BOP STACK and CHOKE MANIFOLD SYSTEM









MICHAEL R. STYLER Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

June 25, 2007

Kerr-McGee Oil & Gas Onshore, LP 1368 South 1200 East Vernal, UT 84078

Re:

State 1021-32P Well, 818' FSL, 814' FEL, SE SE, Sec. 32, T. 10 South, R. 21 East,

Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39127.

Sincerely,

Gil Hunt

Associate Director

er

Enclosures

cc:

Uintah County Assessor

SITLA



Kerr-McGee Oil & Gas Onshore, LP		

Location: SE SE Sec. 32 T. 10 South R. 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment contact Dan Jarvis
- 24 hours prior to spudding the well contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well contact Dustin Doucet
- Any changes to the approved drilling plan contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

• Dan Jarvis at: (801) 538-5338 office (801) 942-0873 home

• Carol Daniels at: (801) 538-5284 office

• Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

Page 2 43-047-39127 June 25, 2007

- 4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
- 5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
- 6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
- 7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
- 8. Surface casing shall be cemented to the surface.

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: ML-21577
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: STATE 1021-32P
2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE LP	9. API NUMBER: 4304739127
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078 PHONE NUMBER: (435) 781-7024	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 818'FSL, 814'FEL	COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 32 10S 21E	STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT TYPE OF SUBMISSION TYPE OF ACTION	RT, OR OTHER DATA
NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: Approximate date work will start: CASING REPAIR ALTER CASING APPROXIMATE DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes. ACIDIZE DESCRIBE PROPOSED ON 11/02/2007 AT 0930 HRS.	
NAME (PLEASE PRINT) SHEILA UPCHEGO SIGNATURE DATE SENIOR LAND AI 11/5/2007	DMIN SPECIALIST
This space for State use only)	RECEIVED

NOV 1 4 2007

STATE OF UTAH	FORM 9
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: ML-21577
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
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4. LOCATION OF WELL	
FOOTAGES AT SURFACE: 818'FSL, 814'FEL	COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 32 10S 21E	STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REP	PORT, OR OTHER DATA
TYPE OF SUBMISSION TYPE OF ACTION	
NOTICE OF INTENT	REPERFORATE CURRENT FORMATION
(Submit in Duplicate)	SIDETRACK TO REPAIR WELL
Approximate date work will start: CASING REPAIR NEW CONSTRUCTION	TEMPORARILY ABANDON
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	TUBING REPAIR
CHANGE TUBING UPLUG AND ABANDON SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK	VENT OR FLARE
(Submit Original Form Only)	WATER DISPOSAL
Date of work completion: CHANGE WELL STATUS PRODUCTION (START/RESUME)	WATER SHUT-OFF
COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION	OTHER: SET SURFACE CSG
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, vo MIRU BILL MARTIN AIR RIG ON 11/08/2007. DRILLED 12 1/4" SURFACE HOLE TO 18 H-40 AND 2 JTS OF 36# J-55 SURFACE CSG. LEAD CMT W/150 SX HIFILL CLASS G CMT W/200 SX PREM CLASS G @15.8 PPG 1.15 YIELD. GOOD RETURNS 22 +/- BBL 1" PIPE. CMT W/100 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN 1" PIPE. GO BACK TOP OUT W/85 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIE STAYED FULL.	870'. RAN 9 5/8" 41 JTS OF 32.3# © 11.0 PPG 3.82 YIELD. TAILED S LEAD CMT TO PIT. RAN 200' OF OD CMT TO SURFACE AND FELL
WORT.	
NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LANI	D ADMIN SPECIALIST
NAME (PLEASE PRINT) SHEILA UPCHEGO TITLE SENIOR LANI	

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DEC 0 3 2007

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-21577 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: SUNDRY NOTICES AND REPORTS ON WELLS 7. UNIT or CA AGREEMENT NAME: Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. 1. TYPE OF WELL 8. WELL NAME and NUMBER: GAS WELL 🗸 OIL WELL OTHER STATE 1021-32P 2. NAME OF OPERATOR: 9. API NUMBER: KERR McGEE OIL & GAS ONSHORE LP 4304739127 3. ADDRESS OF OPERATOR: PHONE NUMBER: 10. FIELD AND POOL OR WILDCAT: 1368 SOUTH 1200 EAST STATE UT VERNAL 310 84078 (435) 781-7024 NATURAL BUTTES 4. LOCATION OF WELL FOOTAGES AT SURFACE: 818'FSL, 814'FEL COUNTY: UINTAH QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 10S 21E STATE: ΙΙΤΔΗ CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 11. TYPE OF SUBMISSION TYPE OF ACTION ACIDIZE DEEPEN REPERFORATE CURRENT FORMATION NOTICE OF INTENT (Submit in Duplicate) ALTER CASING FRACTURE TREAT SIDETRACK TO REPAIR WELL Approximate date work will start: CASING REPAIR NEW CONSTRUCTION TEMPORARILY ABANDON CHANGE TO PREVIOUS PLANS OPERATOR CHANGE TUBING REPAIR CHANGE TUBING PLUG AND ABANDON VENT OR FLARE SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK WATER DISPOSAL (Submit Original Form Only) CHANGE WELL STATUS PRODUCTION (START/RESUME) WATER SHUT-OFF Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE OTHER: FINAL DRILLING **OPERATIONS** CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. FINISHED DRILLING FROM 1870' TO 9005' ON 12/16/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/310 SX PREM LITE II @11.2 PPG 3.13 YIELD, TAILED CMT W/1200 SX 50/50 POZ @14.3 PPG 1.31 YIELD. DROP PLUG & DISPLACE W/139 BBLS WATER BUMP PLUG. PLUG HAD 2550 TO 3210 PSI FLOAT DID NOT HOLD RE-BUMP PLUG FLOAT HELD W/2 BBLS BACK TO TRUCK FULL RETURNS DURING JOB W/ NO CMT TO SURFACE. LAND MANDREL N/D STACK OUT CLEAN PITS RESERVE 3/4 FULL LINER OK. RELEASED ENSIGN RIG 83 ON 12/18/2007 AT 12:00 PM. RECEIVED DFC 2 4 2007 DIV. OF OIL, GAS & MINING SHEILA UPCHEGO SENIOR LAND ADMIN SPECIALIST NAME (PLEASE PRINT) 12/19/2007 SIGNATURE

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STATE OF UTAH	FORM 9
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: ML-21577
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER:
2. NAME OF OPERATOR:	STATE 1021-32P
KERR McGEE OIL & GAS ONSHORE LP	4304739127
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST	10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL	
FOOTAGES AT SURFACE: 818'FSL, 814'FEL	COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 32 10S 21E	STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	RT, OR OTHER DATA
TYPE OF SUBMISSION TYPE OF ACTION	
NOTICE OF INTENT	REPERFORATE CURRENT FORMATION
(Submit in Duplicate) ALTER CASING FRACTURE TREAT	SIDETRACK TO REPAIR WELL
Approximate date work will start: CASING REPAIR NEW CONSTRUCTION	TEMPORARILY ABANDON
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	TUBING REPAIR
CHANGE TUBING PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT (Submit Original Form Only) CHANGE WELL NAME PLUG BACK	WATER DISPOSAL
Date of work completion: CHANGE WELL STATUS PRODUCTION (START/RESUME)	WATER SHUT-OFF
COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION	OTHER: PRODUCTION START-UP
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volume THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 02/18/2008 AT 4 PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.	:30 PM.
	RECEIVED
	FEB 2 5 2008
	DIV. OF OIL, GAS & MINING
NAME (PLEASE PRINT) SHEILA UPCHEGO) TITLE SENIOR LAND A	ADMIN SPECIALIST
NAME (PLEASE PRINT) STIELLA OPCINEGO TITLE SENIOR LAND A	

(This space for State use only)



Anadarko Petroleum Corporation 1368 S. 1200 East Vernal, UT 84078

CHRONOLOGICAL WELL HISTORY

STATE 1021-32P

LOCATION SESE SEC.32, T10S, R21E UINTAH COUNTY, UT

DATE 10/09/07	ACTIVITY LOCATION STARTED	ENSIGN 83	STATUS	
10/29/07	LOACTION COMPLETED	ENSIGN 83	P/L IN, WOBR	
11/02/07	SET CONDUCTOR	ENSIGN 83	WOAR	
11/08/07	SET AIR RIG	ENSIGN 83	DRILL	
11/21/07	9-5/8" @ 1860'	ENSGIN 83	WORT	
11/30/07	TD: 1887' Csg. 9 5/8" @ Move to State 1021-32P.	1860' MW: 8.4	SD: 11/xx/07 DSS: 0)
12/03/07	TD: 4800' Csg. 9 5/8" @ RURT. NU and test BOPE. Pt 1887'-4800'. DA.		SD: 11/30/07 spud @ 2000 hrs 11/30	DSS: 3 /07. Drill from
12/04/07	TD: 5655' Csg. 9 5/8" @ Drill from 4800'-5655'. DA.	1860' MW: 10.0	SD: 11/30/07	DSS: 4
12/05/07	TD: 6180' Csg. 9 5/8" @ Drill from 5655'-6180'. DA.	1860' MW: 10.0	SD: 11/30/07	DSS: 5
12/06/07	TD: 6600' Csg. 9 5/8" @ Drill from 6180'-6366'. TFNB.		SD: 11/30/07	DSS: 6
12/07/07	TD: 7400' Csg. 9 5/8" @ Drill from 6600'-7400'. DA @ r		SD: 11/30/07	DSS: 7
12/10/07	TD: 8452' Csg. 9 5/8" @ Drill from 7400'-8452'. TFNB. stuck pipe. Spot diesel around tools. Screw into fish and jar or	TIH and tag up @ 3133' DC and free point. Back	k off @ 2709'. POOH an	DSS: 10 3204' and work d PU fishing
12/11/07	TD: 8452' Csg. 9 5/8" @ Jar on fish with no movement. Weatherford and pump foam a fishing tools and BHA. PU bit a	Jars stop working. Run ir. Pipe came free. Circi	ulate hole and POOH wit	DSS: 11 irs. RU h fish. Lay down
12/12/07	TD: 8452' Csg. 9 5/8" @ Inspect DC. LD 81 jts DP from mud line. TOOH to casing sho	derrick. TIH to casing s	SD: 11/30/07 hoe. W&R from 1878'-3'	DSS: 12 742'. Wash out

12/13/07 TD: 8452' Csg. 9 5/8" @ 1860' MW: 11.4 SD: 11/30/07 **DSS: 13**

Repair mud line. TIH to 3747'. W&R from 3747'-5504' @ report time.

12/14/07 TD: 8452' Csg. 9 5/8" @ 1860' MW: 11.4 SD: 11/30/07 **DSS: 14**

W&R from 5504'-8152' @ report time.

12/17/07 TD: 9005' SD: 11/30/07 Csg. 9 5/8" @ 1860' MW: 11.8 DSS: 17

W&R from 8152'-8452'. Drill to 8837'. TFNB. Drill to 9005' TD. Short trip and POOH for logs.

Run Quad Combo. TIH w/ drill string @ report time.

12/18/07 TD: 9005' Csg. 9 5/8" @ 1860' MW: 11.8 SD: 11/30/07 **DSS: 18** TIH w/ drill string and CCH for casing. LDDS. Run 4 1/2" Production Casing. Circulate bottoms

up and RU BJ @ report time.

12/19/07 TD: 9005' Csg. 9 5/8" @ 1860' MW: 11.8 SD: 11/30/07 DSS: 19

Cement 4.5" prod csg. Land hanger, ND, clean pits, and rls rig @ 1200 on 12/18/07. RDRT and

prep to move to State 1021-28M @ report time.

MIRU 02/06/08

Days on Completion: 1

Remarks: DAY #1] 7:00 HSM [ROADING RIG]. R/D ROAD RIG FROM NBU 1021-31A TO STATE 1021-32P, MIRU SPOT EQUIP, P/U 3-7/8 MILL W/ X-OVER, TALLEY & P/U 245 JNTS

2-3/8 J-55 TBG, EOT @ 7664' POOH W/ 24 JNTS STANDING BACK, EOT@ 6942' SWIFN.5:30

02/07/08 **PREP TO FRAC**

Days On WellWork: 2

Daily Detail: DAY #2] 7:00 HSM OPEN WELL 0# CSG, 0#TBG POOH W/ TBG & MILL, N/D TBG EQUIP, N/D BOPS, N/U FRAC VALVES, MIRU B&C QUICK TEST, PRESSURE TEST CSG & FRAC VALVES TO 7500# [GOOD TEST] R/D TESTERS, PREP WELL FOR FRAC. SWIFN. 5:30

02/12/08 **4 STAGE FRAC**

in Tillia			1	OPERATION DETAILS
HOURS	DUR	CODE	SUB	DESCRIPTION
7:00- 7:30	0.50	48 P		HSM
7:30-18:00	10.50	36 P	Ε	STG #1] FRAC MESAVERDE 8625'-9685' 44 HOLES, WHP=0#, BRK DN PERFS @ 33D4#, INJT PSI=5054, INJT RT=51.3,
				ISIP=3372#, FG=.83 (SCREENED OFF 30 BBLS LEFT IN FLUSH) FLOWED WELL BACK FOR 15 MIN. REFLUSHED. PUMP'D
	Ì	Ì '	1	1778 BBLS SLK/WTR W/ 50366# 30/50 MESH W/ 6000# RESIN COAT IN TAIL, ISIP=2451#, FG=.84, AR=51.2, AP=5065#.
				MR=52.4, MP=7476#, NPI=79, 44/44 PERFS OPEN 100%
		ł		STG #2] PAU RIH W/ BKR 6K CBP & PERF GUN, SET CBP @ 8508", PEERF MESAVERDE USING 3-3/8 EXP 23 GRM, 0.38"
				HOLE, 8476'-8478' 4 SPF, 90' PH, 8 HOLES, 8406'-8409' 4SPF, 90' PH, 12 HOLES, 8365'-8470' 4SPF, 90' PH, 20 HOLES (40
	l			HOLES] WHP=0#, BRK DN PERFS @ 4514#, INJ PSI=6150#, INJT RT=50.4, ISIP=3027#, FG=.80, PUMP'D 609.5 BBLS SLKWTR
		Ì '	l .	W/ 1871)# 30/50 MESH W/ 5000# RSIN COAT IN TAIL, ISIP=3280#, FG=.83, AR=50.6, AP=5503#, MR=52.7, MP=6344#, NPI=223#, 24/40 PERFS OPEN 60%
				STG #3] P/U RIH W/ BKR &K CBP & PERF GUN, SET CBP @ 7606", PERF MESAVERDE USING 3-3/8 EXP, 23 GRM, 0.36" HOLE.
			l .	7673'-7676' 3SPF, 120' PH, 6 HOLES, 7573'-7538' 3SPF, 120' PH, 9 HOLES, 7511'-7520' 3SPF, 120' PH, 27 HOLES (42 HOLES)
	ļ		l	WHP=0#, BRK DN PERFS @ 46423, injt psj=4775, INJT RT=50.5, ISIP=20813, fg=.72, pump'd 1285 BBLS SLK/WTR W/ 43170#
				30/50 MESH W/ 5000# RESIN COAT IN TAIL, ISIP=2984#, FG=.94, AR=50.5, AP=43823, mr=50.9, MP=4906#, NPI=903#, 27/40 PERFS OPEN 35%
	i .			STG#4] F/U RIH W/ BKR 8K CBP & PERF GUN, SET CBP @ 7248', PERF MESAVERDE 7213'-7218' 4SPF, 90' PH. 20 HOLES.
				7194'-7198' 4SPF, 90' PH, 16 HOLES, WASATCH 7125'-7127' 2SPF, 180' PH, 4 HOLES, 7095'=7087' 2SPF, 180' PH, 4 HOLES [44
				HOLES] WHP=0#, BRK DN PERFS @ 3080#, INJT PSI=3800#, INJT RT=50.6, ISIP=1764#, FG=.69, PUMP'D 4006 BBLS SLKWTR
			l	W/140904# 30/50 MESH W/ 5000# RESIN COAT IN TAIL, ISIP=2893#, FG=.85, AR=50.7, AP=3853#, MR=53, MP=5504#, NPI=1109#, 42/44 PERFS OPEN 96%
				KILL PLUG] P/U RIH W/ BKR 8K OBP, SET OBP @ 7031', POOH R/D WIRE LINE & WEATHERFORD FRAC EQUIP. N/D FRAC
				VALVES, N/U BOPE, R/U TBG EQUIP, P/U 3-7/8 BIT W/ POBS RIH W/ 2-3/8 TBG, EOT @ 3024' SWIFN.

		. 植	OPERATION DETAILS	
HOURS	DUR	CODE	DESCRIPTION	THE REAL PROPERTY.
7:00- 7:30	0.50	48 P	HSM DRLG PLUGS & LANDING UNDER PRESSURE	
7:30- 9:30	2.08	44 P	OPEN WELL O# FINISH RIH PLUG #1] TAG KILL PLUG @ 7031°, P/U PWR SWVL, EST CIRC, DRL THROUGH BKR 8K CBP IN 15 MIN. CONTINUE TO RIH	1800# INCREASE,
9:30-10:30	1.00		PLUG #2] TAG SAND @ 7219' [30' FILL] C/O & DRL THROUGH BKR 8K CBP @ 7248' IN 20 MIN. 900# INCF TO RIH.	REASE, CONTINUE
10:30-11:30	1.00		PLUG #3] TAG SAND @ 7545' [80' FILL] C/O & DRL THROUGH BKR 8K CBP @ 7605' IN 15 MIN. 400# INCF TO RIH.	REASE, CONTINUE
11:30-17:00	5.50		PLUG #4] TAG SAND @ 8479' [30' FILL] C/O & DRL THROUGH BKR 8K CBP @ 8505' IN 30 MIN. 600# INCF TO RIH & C/O TO PBTD @ 8960' CIRC HOLE, L/D 32 JNTS ON FLOAT, R/D PWR SWVL, P/U & LUBRICATE W/ 252 JNTS 2-3/8 J-65 TBG, EOT @ 7926.29', DROP BALL, R,D TSG EQUIP, N/D BOPE, N/U WELL HEAD 1800#, HOOKED WELL UP TO FLOW BACK TANK TURNED OVER TO FLOW BACK CREW. 17:00 HR	E HANGER IN WELL

02/08/08	STANDBY Days On WellWork: 3 Daily Detail: STANDBY. FRAC ON MONDAY.
02/13/08	FLOWBACK REPORT: CP 2000#, TP 700#, CK 20/64", 45 BWPH, LOAD REC'D 1655 BBLS, REMAINING LTR 6023 BBLS
02/14/08	FLOWBACK REPORT: CP 2000#, TP 1050#, CK 20/64", 30 BWPH, LOAD REC'D 810 BBLS, REMAINING LTR 5213 BBLS
02/15/08	FLOWBACK REPORT: CP 2000#, TP 1100#, CK 20/64", 10 BWPH, LOAD REC'D 470 BBLS, REMAINING LTR 4743 BBLS
02/16/08	FLOWBACK REPORT: CP 1600#, TP 1100#, CK 20/64", 12 BWPH, LOAD REC'D 244 BBLS, REMAINING LTR 4499 BBLS
02/17/08	FLOWBACK REPORT: CP 1600#, TP 1200#, CK 20/64", 6 BWPH, LOAD REC'D 170 BBLS, REMAINING LTR 4329 BBLS
02/18/08	FLOWBACK REPORT: CP 1750#, TP 1475#, CK 16/64", 5 BWPH, LOAD REC'D 125 BBLS, REMAINING LTR 4204 BBLS
	WENT ON SALES: @ 4:30 PM, 2000 MCF, 1600 TBG, 1200 CSG, 16/64 CK, 5 BBWH
02/19/08	ON SALES: 692 MCF, 0 BC, 120 BW, TP: 1475#, CP: 1750#, 16/64 CHK, 8 HRS, LP: 250#.

STATE OF UTAH AMENDED REPORT FORM 8 DEPARTMENT OF NATURAL RESOURCES (highlight changes) DIVISION OF OIL, GAS AND MINING 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-21577 6. IF INDIAN, ALLOTTEE OR TRIBE NAME WELL COMPLETION OR RECOMPLETION REPORT AND LOG 1a. TYPE OF WELL: 7. UNIT or CA AGREEMENT NAME OIL GAS VELL OTHER 8. WELL NAME and NUMBER: b. TYPE OF WORK: WELL RE-ENTRY DIFF. RESVR. STATE 1021-32P OTHER 2. NAME OF OPERATOR 9. API NUMBER: KERR McGEE OIL & GAS ONSHORE LP 4304739127 3. ADDRESS OF OPERATOR: 10 FIELD AND POOL, OR WILDCAT PHONE NUMBER: **NATURAL BUTTES** 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078 (435) 781-7024 4. LOCATION OF WELL (FOOTAGES) 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: AT SURFACE: 818'FSL, 814'FEL SESE 32 10S 21E AT TOP PRODUCING INTERVAL REPORTED BELOW: 12 COUNTY 13. STATE AT TOTAL DEPTH: **UTAH** UINTAH 14. DATE SPUDDED: 15. DATE T.D. REACHED: 16. DATE COMPLETED: 17. ELEVATIONS (DF, RKB, RT, GL): ABANDONED . READY TO PRODUCE 🗸 11/2/2007 5382'GL 12/16/2007 2/18/2008 18. TOTAL DEPTH: 19. PLUG BACK T.D.: MD 8,960 DEPTH BRIDGE MD MD 20. IF MULTIPLE COMPLETIONS, HOW MANY? 9.005 PLUG SET: TVD 22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) ио 🔽 YES WAS WELL CORED? (Submit analysis) CBL-CCL-GR, BCS, SD, DSN, FICTR ио 🗸 WAS DST RUN? YES (Submit report) DIRECTIONAL SURVEY? ио 🚺 YES (Submit copy) 24. CASING AND LINER RECORD (Report all strings set in well) STAGE CEMENTER CEMENT TYPE & SLURRY HOLE SIZE SIZE/GRADE WEIGHT (#/ft.) TOP (MD) BOTTOM (MD) CEMENT TOP ** AMOUNT PULLED NO. OF SACKS VOLUME (BBL) 20" 14" STL 36.7# 40 28 12 1/4" H-40 32.3# 36# 9 5/8 1,870 535 7 7/8" 4 1/2 1-8011.6# 9,005 1510 25. TUBING RECORD PACKER SET (MD) SIZE DEPTH SET (MD) PACKER SET (MD) SIZE DEPTH SET (MD) SIZE DEPTH SET (MD) PACKER SET (MD) 2 3/8" 7.936 27. PERFORATION RECORD 26. PRODUCING INTERVALS FORMATION NAME TOP (MD) BOTTOM (MD) TOP (TVD) BOTTOM (TVD) INTERVAL (Top/Bot - MD) SIZE NO. HOLES PERFORATION STATUS (A) WSTCH/MESA 7.218 7.218 0.36 7,085 7.085 44 Open Squeezed (B) MESAVERDE 7,511 8,685 7.511 8.685 0.36 126 Open Squeezed (C) Open Squeezed (D) Open Squeezed 28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND TYPE OF MATERIAL PMP 4006 BBLS SLICK H2O & 140,904# 30/50 SD 7085'-7218' PMP 3673 BBLS SLICK H2O & 110,247# 30/50 SD 7511'-8685 29. ENCLOSED ATTACHMENTS: 30. WELL STATUS: DIRECTIONAL SURVEY GEOLOGIC REPORT DST REPORT ELECTRICAL/MECHANICAL LOGS PROD SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER:

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MAR 1 7 2008

31. INITIAL PRO	DUCTION				INT	ERVAL A (As sho	wn in item #26)						
DATE FIRST PR 2/18/2008		TEST D 2/29	ATE: 0/2008		HOURS TESTER	D: 24	TEST PRODUCTION RATES: →	NC	OIL – BBL:	GAS MCF: 1,967	WATER 12		PROD. METHOD: FLOWING
CHOKE SIZE: 18/64	TBG. PRES 878		RESS. 181	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTI RATES: →	ON	OIL – BBL;	GAS - MCF: 1,967	WATER		INTERVAL STATUS
					INT	ERVAL B (As sho	wn in Item #26)			- 11.14	<u> </u>		
DATE FIRST PR 2/18/2008		TEST D 2/29	ATE: /2008		HOURS TESTED	o: 24	TEST PRODUCTION RATES: →	NC	OIL – BBL:	GAS - MCF: 1,967	WATER	– BBL: 24	PROD. METHOD: FLOWING
CHOKE SIZE: 18/64	TBG. PRES 878		RESS. 181	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTI RATES: →	ON	OIL – BBL.:	GAS - MCF: 1,967	WATER	- BBL:	INTERVAL STATUS
					INT	ERVAL C (As sho	wn in item #26)		<u> </u>		II -	,	
DATE FIRST PR	ODUCED:	TEST D	ATE:		HOURS TESTED);	TEST PRODUCTION RATES: →	ON	OIL - BBL:	GAS MCF:	WATER-	- BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRES	SS. CSG. PI	RESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →		OIL – BBL;	GAS MCF:	WATER -	- BBL:	INTERVAL STATUS
	•	t			INT	ERVAL D (As sho	vn in item #26)						
DATE FIRST PR	ODUCED:	TEST D	ATE:		HOURS TESTED:		TEST PRODUCTION RATES: →		OIL – BBL:	GAS - MCF:	WATER BBL		PROD, METHOD:
CHOKE SIZE:	TBG. PRES	S. CSG. PI	RESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	ON	OIL – BBL:	GAS - MCF:	WATER-	- BBL:	INTERVAL STATUS
32. DISPOSITIO	N OF GAS (Sold, Used for	Fuel, Vent	ted, Etc.)	1				ı		1		
33. SUMMARY	OF POROUS	ZONES (Inclu	de Aquifer	rs):				34.	. FORMATION	(Log) MARKERS:			
Show all importar tested, cushion u					als and all drill-stem recoveries.	n tests, including de	pth interval						
Formatio	n	Top (MD)	Botto (MD		Descript	tions, Contents, etc				Name		(1)	Top Measured Depth)
WASATCH MESAVER		4,104 7,389	7,38	89									

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT), SHEILA UPCHEGO
SIGNATURE

SIGNATURE

TITLE SENIOR LAND ADMIN SPECIALIST

DATE 3/12/2008

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

Send to: Utah Division of Oil, Gas and Mining

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

^{*} ITEM 20: Show the number of completions if production is measured separately from two or more formations.

^{**} ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING 5. LEASE DESIGNATION AND SERIAL NUMBER ML-21577 6. IF INDIAN, ALLOTTEE OR TRIBE NAME SUNDRY NOTICES AND REPORTS ON WELLS 7. UNIT or CA AGREEMENT NAME: Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill honzontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. 8. WELL NAME and NUMBER: 1. TYPE OF WELL GAS WELL [7] OIL WELL OTHER STATE 1021-32P 2 NAME OF OPERATOR: 9. API NUMBER 4304739127 KERR McGEE OIL & GAS ONSHORE LP 3. ADDRESS OF OPERATOR PHONE NUMBER 10. FIELD AND POOL, OR WILDCAT NATURAL BUTTES 84078 VFRNAL UT (435) 781-7024 1368 SOUTH 1200 EAST 4. LOCATION OF WELL FOOTAGES AT SURFACE: 818'FSL, 814'FEL COUNTY. UINTAH 10S 21E QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN. SESE STATE **UTAH** CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 11, TYPE OF SUBMISSION TYPE OF ACTION DEEPEN REPERFORATE CURRENT FORMATION **ACIDIZE** NOTICE OF INTENT (Submit in Duplicate) ALTER CASING FRACTURE TREAT SIDETRACK TO REPAIR WELL Approximate date work will start NEW CONSTRUCTION TEMPORARILY ABANDON CASING REPAIR CHANGE TO PREVIOUS PLANS **OPERATOR CHANGE TUBING REPAIR** CHANGE TUBING PLUG AND ABANDON VENT OR FLARE SUBSEQUENT REPORT WATER DISPOSAL CHANGE WELL NAME PLUG BACK (Submit Original Form Only) **CHANGE WELL STATUS** PRODUCTION (START/RESUME) WATER SHUT-OFF Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE OTHER CONVERT WELL TYPE **RECOMPLETE - DIFFERENT FORMATION** 12 DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. THE OPERATOR REQUESTS AUTHORIZATION TO RECOMPLETE THE SUBJECT WELL LOCATION. THE OPERATOR PROPOSES TO COMPLETE THE WASATCH FORMATION. THE OPERATOR REQUESTS AUTHORIZATION TO COMMINGLE THE NEWLY WASATCH FORMATION, ALONG WITH THE EXISTING MESAVERDE FORMATIONS. PLEASE REFER TO THE ATTACHED RECOMPLETION PROCEDURE. **COPY SENT TO OPERATOR** Date: 3:12: 2009 Initials: NAME (PLEASE PRINT) SHEILA UPCHEGO REGULATORY ANALYST DATE _2/10/2009 SIGNATURE APPROVED BY THE STATE (This space for State use only) OF UTAH DIVISION OF OIL, GAS, AND MINING RECEIVED

Instructions on Reverse Side)

(5 2000)

DIV. OF OIL, GAS & MINING

FEB 19 2009

Name:

State 1021-32P

Location:

SE SE Sec 32 T10S R21E

Uintah County, UT

Date:

01/28/2009

ELEVATIONS:

5382 GL

5399 KB

TOTAL DEPTH:

9055

PBTD: 8960

SURFACE CASING: PRODUCTION CASING:

9 5/8", 36# J-55 ST&C @ 1861' 4 1/2", 11.6#, I-80 LT&C @ 9005'

Marker Joint 3920-3941'

TUBULAR PROPERTIES:

	BURST	COLLAPSE	DRIFT DIA.	CAPACITIES	
	(psi)	(psi)	(in.)	(bbl/ft)	(gal/ft)
2 3/8" 4.7# J-55	7,700	8,100	1.901"	0.00387	0.1624
tbg					
4 ½" 11.6# I-80	7780	6350	3.875"	0.0155	0.6528
(See above)					
2 3/8" by 4 ½"				0.0101	0.4227
Annulus				_	

TOPS:

839' Green River

1137' Birds Nest

1540' Mahogany

4985' Wasatch

6916' Mesaverde

Estimated T.O.C. from CBL @4500

GENERAL:

- A minimum of 10 tanks (cleaned lined 500 bbl) of recycled water will be required. Note: Use biocide in tanks and the water needs to be at least 45°F at pump time.
- All perforation depths are from Halliburtons Induction-Density-Neutron log dated 12/16/2007
- 3 fracturing stages required for coverage.
- Procedure calls for 4 CBP's (8000 psi).
- Calculate open perforations after each breakdown. If less than 60% of the perforations appear to be open, ball out with 15% HCl.
- Put scale inhibitor 3 gals/1000 gals (in pad and ½ the ramp) and 10 gals/1000 gals in all flushes except the final stage. Remember to pre-load the casing with scale inhibitor for the very first stage with 10 gpt.
- 30/50 mesh Ottawa sand, Slickwater frac.
- Maximum surface pressure 6200 psi.

- Flush volumes are the sum of slick water and acid used during displacement (include scale
 inhibitor as mentioned above). DO NOT OVERDISPLACE. Stage acid and scale inhibitor
 if necessary to cover the next perforated interval.
- Service companies need to provide surface/production annulus pop-offs to be set for 1500 psi for each frac.
- Pump 20/40mesh resin coated sand last 5,000# of all frac stages
- Tubing Currently Landed @~7936
- Originally completed on 2/12/2008

Existing Perforations:

7085	7087	2	4
7125	7127	2	4
7194	7198	4	16
7213	7218	4	20
7511	7520	3	27
7535	7538	3	9
7573	7575	3	6
8365	8370	4	20
8406	8409	4	12
8476	8478	4	8
8625	8628	3	9
8630	8635	4	20
8651	8653	3	6
8682	8685	3	9
	7125 7194 7213 7511 7535 7573 8365 8406 8476 8625 8630 8651	7125 7127 7194 7198 7213 7218 7511 7520 7535 7538 7573 7575 8365 8370 8406 8409 8476 8478 8625 8628 8630 8635 8651 8653	7125 7127 2 7194 7198 4 7213 7218 4 7511 7520 3 7535 7538 3 7573 7575 3 8365 8370 4 8406 8409 4 8476 8478 4 8625 8628 3 8630 8635 4 8651 8653 3

PROCEDURE:

- 1. MIRU. Control well with recycled water and biocide as required. ND WH, NU BOP's and test
- 2. TOOH with 2-3/8", 4.7#, J-55 (or N-80) tubing (currently landed at ~7936'). Visually inspect for scale and consider replacing if needed
- 3. If tbg looks ok consider running a gauge ring to 6684 (50' below proposed CBP). Otherwise P/U a mill and C/O to 6684 (50' below proposed CBP).
- 4. Set 8000 psi CBP at ~ 6634 '. Pressure test BOP and casing to 6000 psi. .
- 5. Perf the following with 3-3/8" gun, 23 gm, 0.36"hole:

```
Zone From To spf # of shots WASATCH 6594 6604 4 40
```

- 6. Breakdown perfs and establish injection rate (<u>include scale inhibitor in fluid</u>). Spot 250 gals of 15% HCL and let soak 5-10 min. Fracture as outlined in Stage 1 on attached listing. Under-displace to ~6544' and trickle 250gal 15% HCL w/ scale inhibitor in flush.
- 7. Set 8000 psi CBP at ~5822'. Perf the following 3-3/8" gun, 23 gm, 0.36"hole:

Zone From To spf # of shots WASATCH 5758 5764 4 24 WASATCH 5788 5792 4 16

- 8. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 2 on attached listing. Under-displace to ~5708' and trickle 250gal 15%HCL w/ scale inhibitor in flush.
- 9. Set 8000 psi CBP at \sim 5130'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone From To spf # of shots WASATCH 5090 5100 4 40

- 10. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 3 on attached listing. Under-displace to ~5040' flush only with recycled water.
- 11. Set 8000 psi CBP at ~5040'.
- 12. TIH with 3 7/8" mill, pump off bit sub, SN and tubing.
- 13. Mill plugs (DRILL ISOLATION PLUG @ 6634') and clean out to 8960. Land tubing at ±8335' and pump off bit sub unless indicated otherwise by the well's behavior. This well will be commingled at this time.
- 14. RDMO
- 15. Clean out well with foam and/or swabbing unit until steady flow has been established from recomplete.

For design questions, please call Curtis Caile, Denver, CO (406)-490-2742 (Cell) (720)-929-6194 (Office)

For field implementation questions, please call Robert Miller, Vernal, UT 4350781 7041 (Office)

NOTES:

Note this is a test to 3 ppg sand in the wasatch.

Fracturing Schedules
State 1021-32P Recompletion

Slickwater Frac

3258.996

77.5951429

		Feet	P	erfs			Rate	Fluid	Initial	Final	Fluid	Volume	Cum Vol	Fluid % of	Sand	Sand	Cum. Sand	Footage from CBP to	Scal Inhib
age	Zone	of Pay	Top, ft.	Bot, ft	SPF	Holes	BPM	Туре	ppg	ppg		BBLs	BBLs	frac	% of frac	lbs	lbs	Flush	gal
			Ш	3114					y II										
100	WASATCH	8			4	40		Pump-in test			Stickwater	0	0						۸,
- 1	WASATCH	3		No Perfs			1 2	ISIP and 5 min tSIP				405	405			٨	٨		38
- 1	WASATCH	2		No Perfs				Slickwater Pad	0.00	4.5	Slickwater	135		15.0%	0.0%		40.500		1
- 1	WASATCH	1		No Perfs			1	Slickwater Ramp	0.25		Slickwater	449	1 1	50.0%	35.7%	1 17	16,506		20
- 1	WASATCH	1		No Perfs				Slickwater Ramp	1.5	3	Slickwater	314	898	35.0%	64.3%	29,711	46,217		0
- 1	WASATCH	3		No Perfs				Flush (4-1/2")	į.			102	1,000				46,217		30
	WASATCH	1		No Perfs				ISOP and 5 min ISOF	§						77.20 %	ATEC	0.450	H 1/6	12
		۱				- 10						r		05.11	galit			lbs sand/ft	
		22		# of Perf	s/stage	40	N Carried	and the second state of				TI.	ush depth	6544	CB	P depth	0,822	722	
				Barri				<< Above pump time	(min)					BIV	II BOOK	M H		J. Carry	8.
	WASATCH	2						Pump-in test			Slickwater	U	V						
- 1	WASATCH	4			4	16	5	ISIP and 5 min ISIP			mr.i.	107	407	45.00	0.04		6		
	WASATCH	0		No Perfs				Slickwater Pad	0.00		Slickwater	137		15.0%	0.0%		40.745		1
	WASATCH	0		No Perfs				Stickwater Ramp	0.25		Slickwater	456		50.0%		16,745	16,745		2
- 1	WASATCH	1		No Perfs				Stickwater Ramp	1.5	3	Slickwater	319	2.5(0.1)	35.0%	64.3%	30,141	46,885		0
	WASATCH	5		No Perfs			50	Flush (4-1/2")				89	1,000				46,885		3
	WASATCH	3		No Perfs				ISDP and 5 min ISDP							114	4010	A CAE	n 14	7
		792		W. CALLES									المسال المسال	2700	gal/ft	A Property of		lbs sand/ft	
		29		# of Perf	s/stage	40					B	it i	ush depth	5708	CR	P depth	5,130	578	
		ļ.					LOOK	<< Above pump time	(min)										
	WASATCH	1			4	4)		Pump-in test			Slickwater	0	U						
- 1	WASATCH	2		No Perfs			7	ISIP and 5 min ISIP				200	200				٨		١,
	WASATCH	2		No Perfs			성	Slickwater Pad	۸۸۲		Slickwater	288		15.0%	0.0%	1 33	25.044		3
- 1	WASATCH	1		No Perfs				Slickwater Ramp	0.25		Slickwater	961	1,249	50.0%	l .	35,311	35,311		6
	WASATCH	7		No Perfs				Slickwater Ramp	1.5	3	Slickwater	673 78		35.0%	b4.3%	63,559	98,870		
	WASATCH	3		No Perfs			20	Flush (4-1/2")				18	2,000				98,870		9
	WASATCH	8		No Perfs				ISOP and 5 min ISOF							180	0.500	1000	n 106	l
		1/200												2040		3,509		lhs sand/fi	
		23		# of Perl	systage	40	1000	1 Van - 9 2	100		- 1,	المالية	ush depth	5040	LB	P depth	0,040	0	1.00
	7-1-1	NE.	8-4	110-15	12			<< Above pump time	(min)			uala.	0.000		T-	lal O	404 076		
	Totals	73				120						gals bbls	3,995	bbis	101	tal Sand I	191,972		
					10000							nnia	10.75	tanks		V	1000	le Inhib. =	29

State 1021-32P Recompletion Perforation and CBP Summary

		Perfe	orations								
Stage 1	Zones	Top, ft	Bottom, ft	SPF	Holes	Frac	Fracture Coverage				
	WASATCH	6594	6604	4	40	6588.5	to	6596			
,	WASATCH	0001	No Perfs	-		6596.5	to	6599			
	WASATCH		No Perfs			6599.5	to	6601.5			
	WASATCH		No Perfs			6602	to	6602.5			
	WASATCH		No Perfs			6608	to	6609			
	WASATCH		No Perfs			6612.5	to	6615.5			
	WASATCH		No Perfs			6616	to	6616.5			
	WASATCH		No Perfs			6617	to	6621.5			
	# of Perfs/stage				40	CBP DEPTH	5,822				
					_						
2	WASATCH	5758	5764	4	24	5758.5	to	5760			
	WASATCH	5788	5792	4	16	5760.5	to	5764.5			
	WASATCH		No Perfs			5788.5	to	5789.5			
	WASATCH		No Perfs			5790	to	5792			
	WASATCH		No Perfs			5792.5	to	5793.5			
	WASATCH		No Perfs			5819	to	5823.5			
	WASATCH		No Perfs			5879	to	5881.5			
	WASATCH		No Perfs			5888.5	to	5889.5			
	WASATCH		No Perfs			5896.5	to	5898			
	WASATCH		No Perfs			5907	to	5908			
	WASATCH		No Perfs			5915.5	to	5918.5			
	WASATCH		No Perfs			5921.5	to	5923			
	WASATCH		No Perfs			5923.5	to	5925			
	WASATCH		No Perfs			5925.5	to	5928.5			
	WASATCH		No Perfs			5932	to	5934.5			
	# of Perfs/stage				40	CBP DEPTH	5,130				
	WASATCH	5090	5100	4	40	5070	to	5070.5			
J	WASATCH	3030	No Perfs	4	40	5078	to	5080			
	WASATCH		No Perfs		 +	5079.5	to	5084			
	WASATCH		No Perfs			5081.5	to	5082			
	WASATCH		No Perfs			5082.5	to	5089			
	WASATCH		No Perfs			5089.5	to	5092.5			
	WASATCH		No Perfs			5093	to	5100.5			
	WASATCH		No Perfs			5104.5	to	5106			
	# of Perfs/stage		140 1 0110		40	CBP DEPTH	5,040	0100			
	o. i onoromyo										
	Totals				120						



Kerr-McGee Oil & Gas Onshore LP PO Box 173779 DENVER, CO 80217-3779

February 13, 2009

Mr. Dustin Doucet Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 P.O. Box 145801 Salt Lake City, Utah 84114-5801

Re:

State 1021-32P

SESE Sec. 32, T10S-R21E API Well No. 4304739127 Uintah County, Utah

Dear Dustin,

In accordance with R649-3-22, "Completion Into Two or More Pools", please be advised that there are no contiguous owners in oil and gas leases or in drilling units overlying the pool we intend to commingle to notify. As evidenced by the enclosed plat, Kerr-McGee Oil & Gas Onshore LP is the sole working interest owner in all contiguous leasehold.

Please let me know if anything further is required in order to approve the sundry submitted to you regarding the recompletion of the State 1021-32P. I have enclosed a copy of the sundry notice.

Thank you for your attention to our request.

Sincerely,

KERR-McØEE OIL & GAS ONSHORE LP

Jason Rayburn

Landman

enclosures

RECEIVED FEB 1 9 2009

) ss

)

COUNTY OF UINTAH)

AFFIDAVIT

Jason Rayburn, of lawful age, and being first duly sworn upon oath, deposes and says:

He is a Landman of Kerr-McGee Oil & Gas Onshore LP, of Denver, Colorado. Kerr-McGee Oil & Gas Onshore LP is the operator of the following described well:

STATE 1021-32P 818' FSL, 814' FEL (SESE) SECTION 32, T10S- R21E UINTAH COUNTY, UTAH

Kerr-McGee Oil & Gas Onshore LP the only owner in the well and/or of all the contiguous oil and gas leases or drilling units overlying the pool.

On the 13th day of February 2009, he placed in the United States mail, with postage prepaid, a copy of the attached Application for Commingling into two or more pools (formations) in one wellbore for the subject well.

Said envelope which contained these instruments was addressed to the Utah Division of Oil, Gas & Mining.

Further affiant saith not.

Jason Rayburn, Affiant

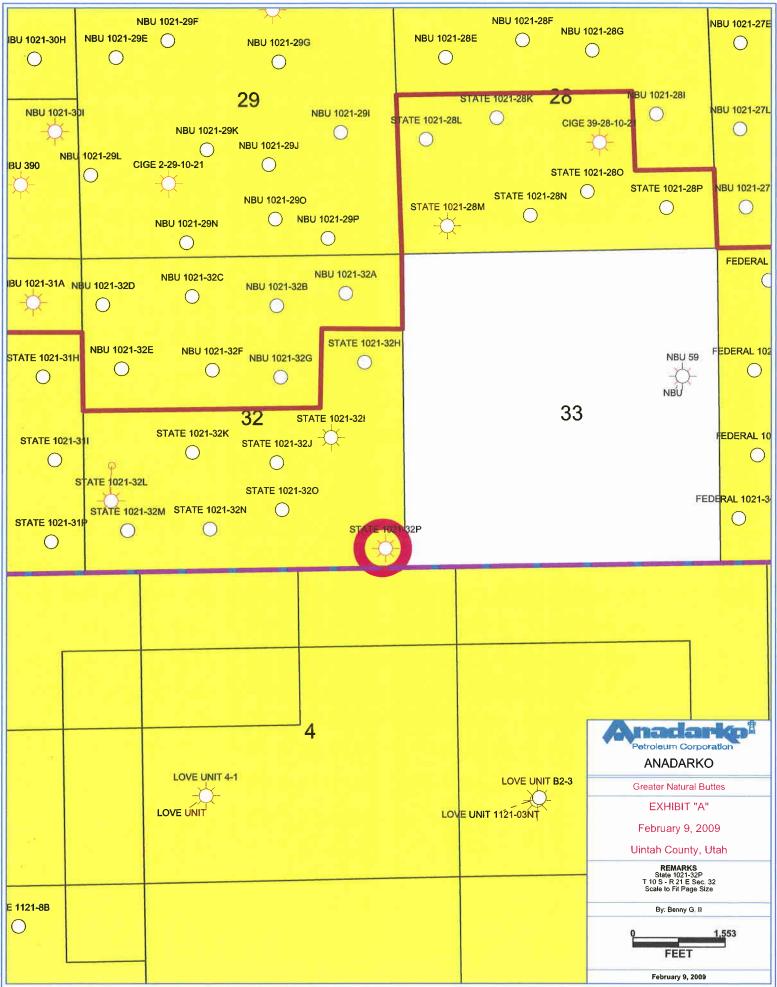
Subscribed and sworn before me this 13th day of February/2009.

JODI DOLLARD
NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires Aug. 18, 2009

My Commission Expires:

Notary Public



SIMILO	TOIAII
DEPARTMENT OF NAT	TURAL RESOURCES
DIVISION OF OIL, O	GAS AND MINING

ENTITY ACTION FORM

perator: KERR McGEE OIL & GAS ONSHORE LP				Operator Account Number: N 2995				
ddress: 1368 SOUTH 1200 EAST								
<u>c</u>	ity VE	RNAL						
state UT zip 84078				Phone Number: (435) 781-7024				
Well 1								
API Numb	ber	Well	Name	QQ Sec Twp		Twp	Rng	County
Various	6	NBU REVISION						UINTAH
Action Co	ode	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
E		Various	2900	3/13/2012		3/1/2012		
Comments:	MOVE	E THE ATTACHED WE 12012. 73 W.C.	ELLS INTO THE NATO	JRAL BUT	TES UN	IT REVI	SION EF	FECTIVE 5/31/3012
API Number		Well Name					T	I
API Numb	oer	Well	Name	QQ	Sec	Twp	Rng	County
API Numb	oer	Well	Name	QQ	Sec	Twp	Rng	County
API Numb		Well Current Entity Number	Name New Entity Number		Sec pud Dat		Ent	County tity Assignment Effective Date
	ode	Current Entity	New Entity				Ent	tity Assignment
Action Co	ode	Current Entity Number	New Entity				Ent	tity Assignment
Action Co Comments:	ode	Current Entity Number	New Entity Number	QQ	Spud Dat	Twp	Ent E	tity Assignment Effective Date

ACTION CODES:

A - Establish new entity for new well (single well only)

B - Add new well to existing entity (group or unit well)

C - Re-assign well from one existing entity to another existing entity

D - Re-assign well from one existing entity to a new entity

E - Other (Explain in 'comments' section)

RECEIVED

REGULATORY ANALYST

SHEILA WOPSOCK

Title

Signature

Name (Please-Print)

5/30/2012

Date

(5/2000)

MAY 3 1 2012

Entity Action Form Attachment for wells moved into the Natural Buttes Unit Effective 02/01/2012.

orial entity					
API	Well Name	QTR/QTR JSection	TWNSHP	RANGE	Producing Intervals
4304737079	FEDERAL <u>92</u> 0-251	NESE 15431	25 98	20E	WASATCH/MESAVERDE
4304737080	FEDERAL 920-25H	SENE 15761	25 9S	20E	WASATCH/MESAVERDE
4304737081	FEDERAL 920-25A	NENE 15553	25 9S	20E	WASATCH/MESAVERDE from MV
4304739098	STATE 1021-28M	swsw /6499	28 10S	21E	WASATCH TO WSMVD
4304737918	FEDERAL 1021-26L	NWSW 16390	26 10S	21E	MESAVERDE TO WS 7M/D
4304737919	FEDERAL 1021-26N	SESW 16391	26 10S	21E	WASATCH/MESAVERDE
4304737916	FEDERAL 1021-250	SWSE 14277	25 10S	<u>21</u> E	WASATCH/MESAVERDE
4304739112	STATE 1021-31M	swsw 16454	31 105	21E	WASATCH TO WSMVD
4304739127	STATE 1021-32P	SESE /6471	32 10S	21E	WASATCH/MESAVERDE
4304739128	STATE 1021-320	SWSE 17513	32 10S	_21E	WASATCH/MESAVERDE
4304739131	STATE 1021-32L	NWSW 16902	32 10S	21E	WASATCH/MESAVERDE
4304739133	STATE 1021-32J	NWSE 17529	32 10S	21E	WASATCH/MESAVERDE
4304739134	STATE 1021-321	NESE 16905	32 10S	21E	WSMVD
4304739135	STATE 1021-32H	SENE 17528	32 10S	21E	WASATCH/MESAVERDE
4304735714	FEDERAL 1022-29H	SENE /5/47	29 10S	22E	WASATCH/MESAVERDE
4304735715	FEDERAL 1022-29F	SENW 15162	29 10S	22E	WASATCH/MESAVERDE
4304735716	FEDERAL 1022-29B	NWNE 114982	29 10S	22E	WASATCH/MESAVERDE
4304735737	FEDERAL 1022-291	NESE 15001	29 10S	22E	WASATCH/MESAVERDE
4304735738	FEDERAL 1022-29D	NWNW 15016	29 105	22E	MESAVERDE TO WS TO VD
4304734862	FEDERAL 31-10-22	SESE 13879	31 10S	22E	MESAVERDE TO WSTMVD
4304735173	FEDERAL 1022-31D	NWNW 14/32	31 10S	22E	WASATCH/MESAVERDE
4304736492	FEDERAL 1022-31N	SESW 14255	'31 10S	22E	WASATCH/MESAVERDE
4304736493	FEDERAL 1022-311	NESE 15089	31 10S	22E	WASATCH/MESAVERDE
4304736494	FEDERAL 1022-31G_	SWNE 15075	31 10S	22E	WASATCH/MESAVERDE
4304736495	FEDERAL 1022-31F_	SENE 1523D	31 10S	22E	WASATCH/MESAVERDE
4304736574	FEDERAL 1022-31C_	NENW 15090	31 10S	22E	WASATCH/MESAVERDE
4304736575	FEDERAL 1022-31J_	NWSE 15214	31 10S	22E	WASATCH/MESAVERDE
4304736576	FEDERAL 1022-31L	NWSW 16276	31 10S	22E	WASATCH/MESAVERDE
4304734317	STATE 1-32	NESW 13419	32 10S	22E	WASATCH/MESAVERDE
4304734831	STATE 2-32	SESW 13842	32 10S	22E	MESAVERDE TO WSMID
4304734832	STATE 3-32	NWSW 13844	32 10S	22E	WASATCH/MESAVERDE
4304735095	STATE 1022-32J	NWSE 11+097	32 10S	22E	WSMVD
4304735096	STATE 1022-32A	NENE 13914	32 10S	22E	WASATCH/MESAVERDE
4304735186	STATE 1022-32P	SESE 14131	32 10S	22E	MESAVERDE TO WSMVD
4304735315	STATE 1022-320	SWSE 14114	32 10S	22E	WASATCH/MESAVERDE
4304735647	STATE 1022-32H	SENE 14348	32 10S	22E	MESAVERDE TO WSMVD
4304736413	STATE 1021-360	SWSE /5619	36 10S	21E	WASATCH/MESAVERDE
¥ 4304738157	WELL BELONGS TO	QEP ENERGY CORP "	GH 8-20-8-21"	PERMIT NO	T APPROVED
4304734839	FEDERAL 1022-15F	SENW 14618	15 10S	22E	WASATCH/MESAVERDE
4304736414	STATE 1021-36J	NWSE 15651	36 10S	21E	WASATCH/MESAVERDE
4304738152	STATE 1021-36L	NWSW 16012	36 10S	21E	WASATCH/MESAVERDE
4304735440	FEDERAL 1022-15J	NWSE 14617	15 10S	22E	WASATCH/MESAVERDE
4304736415	STATE 1021-36I	NESE 15684	36 10S	21E	WASATCH/MESAVERDE
4304738845	STATE 1021-36D	NWNW 16455	36 10S	21E	WASATCH/MESAVERDE

4304750096 FEDERAL 1022-27H	SENE 17626	27 10S	22E	WASATCH/MESAVERDE
4304736416 STATE 1021-36H	SENE 15335	36 10S	21E	WASATCH/MESAVERDE
4304738846 STATE 1021-36E	SWNW 16523	36 10S	21E	WASATCH/MESAVERDE
4304735676 FEDERAL 1022-28L	NWSW 15110	28 10S	22E	WASATCH/MESAVERDE
4304736417 STATE 1021-36G	SWNE 15291	36 10S	21E	WASATCH/MESAVERDE
4304738847 STATE 1021 <u>-36F</u>	SENW 16394	₹36 10S	21E	WASATCH/MESAVERDE
4304735713 FEDERAL 1022-28N	SESW 15145	28 10S	22E	WASATCH/MESAVERDE
4304736418 STATE 1021-36B	NWNE 14953	36 10S	21E	WASATCH/MESAVERDE
4304738848 STATE 1021-36N	SESW 16359	36 10S	21E	WASATCH/MESAVERDE
4304735735 FEDERAL 1022-280	SWSE 15285	28 10S	22E	WASATCH/MESAVERDE From MURD
4304736419 STATE 1021-36A	NENE 15035	36 10S	21E	WASATCH/MESAVERDE
4304738849 STATE 1021-36K	NESW 16084	36 10S	21E	WASATCH/MESAVERDE
4304735736 FEDERAL 1022-28M	swsw 15286	28 10S	22E	WASATCH/MESAVERDE
4304736420 STATE 1021-36P	SESE 15372	36 10S	21E	WASATCH/MESAVERDE
4304738850 STATE 1021-36C	NENW /6396	36 10S	21E	WASATCH/MESAVERDE
4304734861 FEDERAL 29-10-22	SESE 14006	29 10S	22E	MESAVERDE TO WSMVD
4304735577 FEDERAL 1022-330	SWSE 15080	33 10S	22E	WASATCH/MESAVERDE
4304735739 FEDERAL 1022-33E	SWNW 15193	33 10S	22E	WASATCH/MESAVERDE
4304735740 FEDERAL 1022-33M	swsw /5373	33 10S	22E	WASATCH/MESAVERDE
4304735741 FEDERAL 1022-33L	NWSW /5511	33 10S	22E	WASATCH/MESAVERDE
4304735742 FEDERAL 1022-33G	SWNE 15404	33 10S	22E	WASATCH/MESAVERDE From MURD
4304735743 FEDERAL 1022-33C	NENW 15405	33 10S	22E	WASATCH/MESAVERDE
4304735744 FEDERAL 1022-33A	NENE /5539	33 10S	22E	WASATCH/MESAVERDE
4304737105 FEDERAL 1022-33D	NWNW 16502	33 10S	22E	WASATCH/MESAVERDE
4304737106 FEDERAL 1022-33F	SENW 16560	33 10S	22E	WASATCH/MESAVERDE From WSTC
4304737107 FEDERAL 1022-33K	NESW 16124	33 10S	22E	WASATCH/MESAVERDE
4304737109 FEDERAL 1022-33N	SESW /6/26	33 10S	22E	WASATCH/MESAVERDE
4304737110 FEDERAL 1022-33B	NWNE /6561	33 1 0S	22E	WASATCH/MESAVERDE
4304735810 STATE 1021-36E	SWNW 14395	36 10S	21E	WASATCH/MESAVERDE